THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

January 19, 1946

FLYING BLACKMARKET

AN EDITORIAL

The New Communism

London Tribune

Business Organization Needed

By John Ahlers

Shanghai Students' Parade

By Y. F. Chao

Irresponsible Journalism

AN EDITORIAL

VOLUME 100 PRICE CNC$150 NUMBER 8

AMERICAN ASIATIC UNDERWRITERS

Federal Inc., U.S.A.

17 The Bund Telephone 11144

Full Lines of Coverage for:

FIRE
MARINE
MOTOR CAR
CASUALTY

Companies represented:

HANOVER FIRE INSURANCE CO., New York, N. Y.
FIREMEN'S INSURANCE COMPANY, Newark, N. J.
NATIONAL UNION FIRE INSURANCE COMPANY, Pittsburgh, Pa.
NEW HAMPSHIRE FIRE INSURANCE COMPANY, Manchester, New Hampshire.
SECURITY INSURANCE COMPANY OF NEW HAVEN, New Haven, Conn.
COMMERCIAL CASUALTY COMPANY, Newark, N. J.

BANK OF CHINA

Under Special Charter of the National Government as the International Exchange Bank

Branches and Sub-Branches Throughout China

Foreign Agencies and Correspondents in all principal cities of the world

All types of banking business transacted

Shanghai Branch
23 Chung Shan Lu (Eastern I), *(The Bund),* **Shanghai**
Telephone 17466

The Central Bank of China

BANKS' BANK

HEAD OFFICE:

CHUNGKING

SHANGHAI OFFICE:

The Bund — Cables: "Governbank"

BRANCHES:

Shanghai	Peiping	Ipin
Hanghsien (Yungkang)	Nanchang	Yaan
Ningpo	Kian	Kiangtsing
Chuhsien	Linchwan	Nankiang
Amoy	Chengchow	Tzeliutsing
Foochow	Kaifeng (Nanyang)	Nanpu
Tsinkiang	Loyang	Mienyang
Nanping	Sian	Loshan
Chienou	Nangcheng	Kwangyuan
Puchen	Lanchow	Santai
Santuau	Tienshui	Ichang
Kulangsu	Kweiyang	Hankow
Canton	Panhsien	Changsha
Swatow	Kunming	Changteh
Kongmoon	Mengtsz	Lingling
Wuchow	Chungking	Hengyang
Kweilin	Chengtu	
Tientsin	Wanhsien	

FOREIGN CORRESPONDENTS:

New York, London, Paris, Geneva and Hongkong

William Hunt & Company

Federal Incorporated, U.S.A.

EXCLUSIVE DISTRIBUTORS FOR

Allis-Chalmers Manufacturing Co.
Tractor Division
American Broach & Machine Co.
American Chain & Cable Co., Inc.
Associated Seed Growers, Inc.
The Bahnson Company
Barco Manufacturing Co.
Blaw-Knox Co.
Boeing Aircraft Co.
Boeing Airplane Co.
Buckeye Traction Ditcher Co.
The Buda Co.
Buffalo Fire Appliance Co.
Buffalo Forge Co.
Buffalo Springfield Roller Co.
Chain Belt Co.
Chase Brass & Copper Company
Cocker Machine & Foundry Co.
The Columbian Vise & Manufacturing Co.
Consolidated Expanded Metal Companies
Davis Furber Machine Co.
Dodge Manufacturing Corporation
Ellicot Machine Corporation
Everseal Manufacturing Co., Inc.
Fairbanks, Morse & Co., Inc.
Firestone Tire & Rubber Co.
Foster Wheeler Corporation
General Railway Signal Co.
Gruendler Crusher & Pulverizer Co.
H. & B. American Machine Co.
Hanchett Manufacturing Co.
Hersey Manufacturing Co.
Houchin Machinery Co., Inc.
James Hunter Machine Co.
Marion Steam Shovel Co.
Oilgear Co.
The Okonite Co.
Parks & Woolson Machine Co.
Pettibone Mulliken Corporation
Pittsburgh Lectromelt Furnace Corporation
Pullman Standard Car Export Corporation
N. Ransohoff, Inc.
Rockford Machine Tool Co.
Salmini Marine Supplies Co.
S. Morgan Smith Company
Southwestern Engineering Company
Sprout, Waldron & Co., Inc.
The Geo. L. Squier Manufacturing Co.
Steel Heddle Manufacturing Co.
Sullivan Machinery Co.
Alfred Suter Co.
Traylor Engineering and Manufacturing
Company
The Vaughn Machinery Co.
The V. & O. Press Co.
Wellman Engineering Co.
Westinghouse Electric International Co.
Whitcomb Locomotive Co.
The White Motor Co.
Williams Oil-O-Matic Heating Corporation

PARTIAL LIST OF PRODUCTS

Aeronautical Material
Automotive Equipment
Building and Construction Equipment
Diesel Engines
Electrical Machinery and Apparatus
Food Processing Equipment

Hydraulic Machinery, Dredges, Marine Supplies
Ice-Making and Air-Conditioning Equipment
Machine Tools
Metal Processing Equipment
Mining, Quarry, and Oil-Well Equipment

Railway Equipment
Steam Power and Heating Equipment
Textile Machinery
Valves, Fittings, Hardware, Engineering Accessories

What People Are Saying

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of **The China Weekly Review.**

Post Office To-Day

To The Editor:

In the China Weekly Review of January 5, 1946, there appeared a letter written by a so-called "Postal Employee" in which he made several allegations which are entirely groundless. As I have worked in the Post Office for more than 10 years and am fully conversant with the actual conditions in the Postal Service, I wish to supply you with some facts concerning the Post Office and venture to request you to have my letter published in your esteemed journal for the enlightenment of the general public.

1) It is true that Postal discipline and efficiency received a serious setback in the years when the Posfal establishments in this part of the country were under the control of the Japanese militarists. However, after the taking-over of the Shanghai Post Office by the National Government in September, 1945, conditions have completely changed. Serious efforts have been and are still being made by the local Postal Authorities to enhance efficiency and to exterminate "squeeze" in the Post Office. It is gratifying to note that the efforts made by the Postal Authorities in this direction are highly successful, and it must have come to the knowledge of all close observers that no "squeeze" is allowed in the Post Office today and that any member of the Postal staff found guilty of accepting bribes or committing malpractices is liable to instant dismissal.

2) It is also true that in the days when the Shanghai Post Office was controlled by the Japanese militarists, some patriotic Postal employees managed to have certain banned literature, mostly political in nature, dispatched to Free China without the knowledge of the Japanese censors. However, it must be emphasized that in doing so the patriotic Postal employees never demanded nor received any remuneration from the public. Their motive in dispatching the banned literature to Free China was entirely patriotic and not pecuniary.

3) Under the existing Postal regulations, any Postal staff found to have unreasonably delayed the delivery of mail is instantly discharged. Mails are never lost or otherwise maltreated in the Post Office. Of course, there are cases where mails are reported lost but such losses are attributable to causes of force majeure entirely beyond the control of the Postal Administration, such as the sinking of the carrying vessel, etc.

4) It is very questionable whether the so-called "Postal Employee" who wrote the letter dated December 30, 1945, and published in your journal of January 5, 1946, under the headline "Post Office Again" is actually a Postal employee. I raise this query because, I believe, if he were a bona fide Postal employee, as he claimed to be, he would have known that since the taking-over of the Shanghai Post Office by the National Government in September, 1945, the pay and allowances of the Postal employees have been adjusted more than once. The present earnings of the average Postal staff, though still inadequate to maintain a high standard of living, are nevertheless fairly sufficient to enable them to maintain a simple living without recourse to "squeeze" or other mal-practices. As already stated, any Postal employee found guilty of committing malpractices will be instantly dismissed and no excuse whatsoever will be accepted.

In conclusion, I would like to say that it would be well for the public to report all cases to the local Postal Authorities where malpractices are committed by any any member of the Postal staff together with a brief description of the offender so that disciplinary action can be taken against him by the Postal Administration. Such action, I believe, is conducive to the maintenance of an efficient Postal Service, beneficial to the public at large.

POYU KUO,

Shanghai,
January 15, 1946.

Foreign Secretary
Shanghai Post Office.

THE PARK HOTEL

A GREATER HOTEL IN SHANGHAI

ROOMS — DINING ROOM — BALL ROOM — BAR

Bubbling Well Road, (Opposite The Race Course) Shanghai, Tel. 91010

THE CHINA WEEKLY REVIEW

160 Chung Cheng Road (Eastern)
SHANGHAI

Tel. 14772

SUBSCRIPTION RATES:

	3 *months*	6 *months*	12 *months*
	CNC$		
Local Delivery:	1600.		
Outports: (Air Mail) ..	2000.		
Abroad:		US$4.50	US$8.00

THE CHINA WEEKLY REVIEW

Cable Address "REVIEWING SHANGHAI"
J. B. POWELL, *Editor and Publisher*
JOHN W. POWELL, EDWARD ROHRBOUGH,
WALTER H. WIENER, *Editorial Dept.*
F. K. CHAO, *Business Manager* TRYPHON V. KU, *Advertising Manager*

Index for January 19, 1946

Editorial Paragraphs

Flying Blackmarket 127
Irresponsible Journalism 127
Death Of A Journalist 129
Student Demonstrations 129

Special Articles

The New Communism .....*From The London Tribune* 130
Charter Still Too Weak To Protect Rights Of Man.....
By Ernest D. Strauss 131
China Needs Nation-Wide Business Organization.....*By John Ahlers* 133
Bretton Woods—A New Phase In World Economy.....
By Alfred Landsberger 134
Shanghai Students Stage Day Long Demonstration....*By Y. F. Chao* 136
Greater Confidence Shown By Local Share Operators..... 140

Departments

What People Are Saying 125
News Of The Week 135
Events In Brief 138
Who's Who In China 139
People In The News 139
Business Foot-Notes 141
New Books Of Interest 142

PUBLISHED AT 160 CHUNG CHENG ROAD (EASTERN), SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX OF PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 CHUNG CHENG ROAD (EASTERN), SHANGHAI, CHINA, TELEPHONE 14772, CABLE ADDRESS: "REVIEWING SHANGHAI."

ALL EDITORIAL, TEXT AND OTHER MATERIAL IN THE WEELY ISSUES OF THE CHINA WEEKLY REVIEW IS COPYRIGHTED UNDER CERTIFICATE OF REGISTRATION NO. 9953 ISSUED BY THE MINISTRY OF INTERIOR OF THE NATIONAL GEVERNMENT OF THE REPUBLIC OF CHINA.

Postal Limit

To The Editor:

With reference to the editorial, "Apology To Subscribers," which appeared in your issue of January 5, I wish to inform you that at present the carrying capacity of the mail planes on various lines is rather inadequate to cope with the volume of air mail we accept daily from the public. In order not to hinder first class mails, we are compelled to impose some temporary restrictions on the acceptance of air mails as follows:

1. Only letters forming actual correspondence, postcards and daily papers under 100 grams may be posted as air mail.

2. Weekly issues under 100 grams for Nanking, Hankow and Chungking may occasionally be accepted for air mail. Weekly issues for places other than these three cities cannot be accepted at present.

3. Air mail letters, if found to contain articles other than actual correspondence, are liable to be returned to the sender.

If and when there is an improvement in the field of air transport, the restrictions mentioned above will be lifted. However, newspapers and periodicals are now accepted for forwarding by surface transport for all places without any restrictions.

Furthermore, I wish to point out to you an error of fact. The charge for a copy of your paper by first class air mail to the interior would be CNC$50. and not CNC$90. as you stated.

LI CHIN-LU,
Director of Posts.

Shanghai.
January 12, 1946.

Home of Quality Candies

A B C

TRADE MARK A·B·C· REGISTERED

Candies, Fruit Drops, Toffee, Nougats and Chocolates in fancy cases. Also *Rabbit* Brand Rolls. - - - -

ABC Biscuits, cakes, breads, etc. are made from best quality materials by the most scientific processes. - - -

A B C CONFECTIONERY & BAKERY

Pass. 622/House 56 Lin Sen Lu (Central) (*Avenue Joffre*), Shanghai.

Telephone: 85016

OBTAINABLE IN DEPT-STORES AND PROVISION SHOPS

(Coat of Arms)

KENNISGEVING.

Bij beschikking van den Minister van Handel en Nijverheid van 18 April 1945 is een commissaris generaal benoemd voor de behartiging van de Nederlandsche economische belangen in Duitschland.

Voorloopig hebben de werkzaamheden van voornoemden commissaris generaal zich beperkt tot de restitutie binnen het Nederlandsche volksvermogen, doch denkelijk zal het terrein zijner werkzaamheden worden uitgebreid tot bemoeienissen met Nederlandsche eigendommen en rechten in Duitschland.

Nederlanders in China kunnen gegevens omtrent weggevoerde bezittingen, welke zich in Duitschland bevinden, door tusschenkomst van Hare Majesteits Ambassade indienen doch voorzoover gegadigden binnen het ressort van het consulaat generaal der Nederlanden te Shanghai vertoeven zouden zij goed doen daartoe eerst met bovengenoemd consulaat generaal aanraking te zoeken.

Shanghai, 11 Januari 1946
Jan van den Berg.
Waarnemend Consul-Generaal.

THE NATIONAL CITY BANK OF NEW YORK

The National City Bank

OF NEW YORK

ESTABLISHED 1812

SHANGHAI BRANCH: 41 KIUKIANG ROAD

TELEPHONE: 11500

THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

中華郵政特准掛號認爲新聞紙類

Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China

Vol. 100 Shanghai, Saturday, Jan. 19, 1946 No. 8

Flying Blackmarket

LAST week we charged that the postoffice might be performing indirect censorship because it was refusing to accept copies of the Review destined for our "outport" subscribers. This week the postoffice vehemently denied our allegation, reiterating that the only reason for banning us from the air mails is shortage of space on planes.

Postal employees tell us that China National Aviation Corporation daily turns back to the postoffice half of the mail given it for air shipment. In a letter (page 126) to us, the director of posts has set forth the postoffice's position, stating that when transportation improves, our mailing privileges—granted to us by the laws of the National Government of China—will be restored. He further states, that the regular mails to all points in China are open to us as in the past. Whether or not surface mail to Kunming, Lanchow, Peiping and other points is functioning, is another matter.

Later in the week, Shanghai's assistant postmaster, Mr. Wang Yu-kuang, whom we mentioned in last week's editorial, used his good offices once again for us and has now gotten the postoffice to accept the Review conditionally for a limited number of points. At the moment we may mail to most places in the interior, with, however, Tientsin, Peiping and Canton still barred to us.

We will not at present go into the matter of the authority upon which the postoffice acted when it arbitrarily invalidated the laws of the Republic of China by refusing *any* particular type of mail, regardless of whether or not the carriers later declined to accept it.

Since the responsibility has been shifted to CNAC, a Chinese-American joint corporation which uses American planes and American gasoline—some of the latter of which it has gotten recently from Army Air Forces surplus stocks at an undisclosed price—we think that we should shift our attention for the moment to CNAC.

It is CNAC's duty and obligation to carry the mail. Ordinarily, mail contracts mean the margin between profit and loss for an air carrier. However, today the situation is changed; mail rates have not kept pace with spiraling operational costs. And, what's more important, certain small, easily-transportable luxury items have multiplied in value much faster than all other commodities. These articles, such as cosmetics, cigarettes, flashlights, etc. fetch an inordinately high price in the interior. For example, American cigarettes sell from CNC$500 to CNC$600 in Shanghai, while they will bring around CNC$1000 at points such as Kunming and Chungking.

Obviously an ordinary merchant cannot compete, since he has a closer margin of profit. Further, the shipper of luxuries is able to sweeten many a palm with his large supply of sugar and can therefore ensure quick acceptance and delivery by the shipping agent, as well as immediate customs clearance.

We have been unable to find out if CNAC has been specifically forbidden to ship such items, but we do know that CNAC is presently shipping this type of merchandise. The CNAC official who refused to accept Reviews from our staff member was virtually surrounded by crates and boxes of cigarettes and cosmetics. Perhaps CNAC is powerless to select its freight, being forced to accept all items cleared by the local customs.

Turning from CNAC, we approached the Central Air Transport Corporation. They readily agreed to transport copies of the Review to Kunming, but, when the cost was figured, the bill for transporting Reviews valued at CNC$40,500 was just CNC$50,000. When we said last week that we would pay any price we naturally didn't mean it literally. We meant any price within reason or perhaps a bit above reason. If we mail at this rate, every man who buys a Review in Kunming will cost us slightly more than CNC$200. Figuring on a dollars and cents basis, it would pay us to sell Kunming's quota of Reviews to Shanghai waste paper dealers. Obviously we cannot withstand a weekly loss of CNC$80,000 just to serve 400 readers in Kunming.

We still maintain that journals of public information are of greater import than luxury items. We would never object if Review's were put off a plane in order to make room for high priority personnel, or for commodities vital to the nation, such as medicines—in which Shanghai seemingly abounds—and which are greatly needed in Kunming. But to be refused space because some local compradore, who is able both to outbid and outbribe us, wants to send a couple of cases of cigarettes along, is entirely too much!

Several steps are needed:

1.) The Central Government must see that all mails clear the postoffice and are delivered to the various carriers within the shortest possible time.

2) The Central Government must force all carriers holding franchises for operating in China to accept all mail without delay and effect the speediest delivery possible. It is utterly preposterous that CNAC should take upon itself the authority of rejecting mail because there is not enough space for both mail and contraband goods.

Pan American Airways, the minority stockholder in CNAC, knows perfectly well that in America—or anywhere else in the world except in ever-tolerant China—it would lose its franchise within 24 hours of its putting off mails in favor of other cargoes.

3) If the carrying of all mails and the rejection of black market goods would cause CNAC to operate at a loss then the Central Government must raise the postal rates. If the loss cannot be covered without prohibitive hikes, then the government must subsidize the carriers holding mail contracts. This is done in all other countries to enable airlines, railroads, and steamship companies to provide efficient and fast mail delivery.

Clearly the present situation in which the nation's airlines operate as "flying blackmarkets," moving scarce commodities about the country at great profit to a few speculators—and at no loss to themselves—while the general public is unable to get its mail delivered regularly or receive its newspapers and periodicals, can no longer be tolerated.

Irresponsible Journalism

WHILE we are always ready to take up the cry on behalf of the press when it is oppressed or when its freedom is endangered, a few items came to our attention this past week which are good examples of how an irresponsible press can jeopardize its own welfare.

Specifically, the stories were: a dispatch from "off Lisbon" by Karl H. Von Wiegand, who described how Spain's Generalissimo Francisco Franco was determin-

ed to stand firm against the menace of Communism, and two thoroughly untruthful diatribes written by Scipps-Howard's administration-baiting Parker La Moore.

Von Wiegand, ace uncoverer of the "Red Threat" for William Randolph Hearst and long-time friend of high Nazi and Japanese facists, makes out a hardly plausible yarn in which he suggests several unlikely possibilities, among them civil war in France and that Franco may be the savior of Spain and Europe.

After quoting obscure diplomatic and business circles in France to the effect that the French middle class is upset over France's nationalization program, Von Wiegand, whom Hearst affectionately dubs 'Dean of American Foreign Correspondents," says:

"The shadow of coming events in France—be they the carrying out of the communist-socialist program of making that country a political, ideological and economic branch of her ally, Soviet Russia, financed by America, or be it civil war—hangs heavily over Spain.

"General Francisco Franco is firm....

"With loyalty of the army and no upheaval in France or no invasion through the Pyrenees by chauvinistic, militant communist-socialist France, I would give Franco another two years as chief of state in Spain."

These three paragraphs, although actually adding up to nothing but utter rubbish, are very cleverly written. Although probably based on nothing but the inner workings of Von Wiegand's own mind, they claim to contain highly accurate and "inside" information obtained from "diplomats, bankers," etc.

Such sources will sound authoritative to conservative Americans, while the implication that France is financing the installation of communism with American money will violently arouse any sound American who has a bank account and who has to pay taxes. The second paragraph, which was set in heavy bold face type to stand out from the rest of the article, makes Franco look like a good, solid citizen who is a bulwark against the treacherous French Communists. The third paragraph, in which the word "loyalty" is used to indicate the soundness of Franco's position in his own country, raises—for the first time to our knowledge—the idea of possible French military action against Spain. It is also suggested that any such action would necessarily be of an extra-legal, radical nature by the use of the expression, "chauvinistic, militant communist-socialist France."

Before proceeding to Mr. La Moore's jaundiced outpourings, we would like to point out a few of the high spots of "Dean" Von Wiegand's recent career.

For many years he was stationed in Berlin, where he had as his secretary and personal aide a German-American who later became well known in Shanghai as a co-worker of Herbert Moy's in the German Radio station. In late 1940 the "Dean" arrived in Shanghai where he privately informed friends that he was sent out personally by Mr. Hearst to do a special job: the job, he said, was to point out to America the real menace of the imminent spread of Russian communism in Asia and Japan's special position as a bulwark against this threat. While in Shanghai he received personal radio messages from Yosuke Matsuoka, then Japanese Foreign Minister, which enabled him to "scoop" other Far Eastern correspondents—even those stationed in Tokyo—on new Japanese moves.

During the closing days of the war in Europe last spring, Von Wiegand hastened to Spain from where he described the demise of Nazidom from a geo-political point of view. In one dispatch prominently displayed in the Hearst papers, he likened the Russian approach to Vienna to previous inroads of the Slavs and Orientals into Teutonic Europe. In great and sympathetic detail he described the previous heroic defenses of Vienna which saved Western Europe from Slavic-Oriental slavery. His conclusion: This time Western Europe would not be saved because the present day knights of the west were in the process of being ground to pieces on all sides.

Today the "Dean" is still hanging around Spain, last European stronghold of Fascism. With his "excellent" connections with what remains of the refugee Nazis hiding in Franco's haven, he can be expected to have access to the new Nazi line—the line that holds that Europe is now in a state of chaos, and that the only thing that will save it from militant, anti-Western Communism is the revival of a strong Germany.

Parker La Moore, a younger and less adept propagandist than Von Wiegand, is more "obvious" and careless in his work. The two articles of his which we received this week are outright misrepresentations, the untruths in which stand out readily. Unfortunately, the general reading public, which obviously cannot be well-informed on all subjects, may easily accept La Moore's mistakes and distortions as truth.

La Moore, who is concerning himself these days with the problems faced by the State Department in trying to absorb the remnants of the old Office of War Information, paints a fairly reasonable picture of the under-staffed and under-paid Department faced with the prospect of taking over a large group of highly-paid propaganda specialists. If this were all he did, no one could complain, because the difficulty is real. However, he apparently has a definite chip on his shoulder concerning OWI and does his best to malign the organization and discredit its personnel.

For example, in "proving" that OWI was topheavy with executives as compared to the State Department, he claims that while the Embassy in Chungking had only three top officials, OWI had 12. This is a beautiful example of adding two and two and getting something besides four. First, he shortened the list of top Embassy employees; second, he lengthened the list of top OWI employees, adding the names of several minor offices to his so-called list of "top officials."

Mr. La Moore becomes so wound-up in his vitriolic yelpings that he contradicts himself in one instance within two paragraphs. He lists a "transportation officer" as a top employee in one paragraph (A transportation officer is a civil service designation for a freight and passenger clerk and could never be considered a "top" employee), while in the next paragraph he refers to the "air liaison officer" who's job it was to secure transportation for OWI executives. Regardless of the fact that this same "air liaison officer" is listed in the previous paragraph also as a top employee but in this paragraph is merely a travel clerk, the description of the liaison officer's job is erroneous. This officer, he says, had three assistants. That much is true, but the duties of these air liaison officers were primarily the overseeing of the dropping of leaflets upon the Japs; leaflets which in many cases helped save the lives of American pilots shot down in Occupied China.

After several paragraphs of describing the hordes of gold-bricking, overpaid OWI minions, La Moore concludes with:

"But its propaganda impact would be difficult to estimate, nor apparently was much attention given to such appraisals."

Again deliberate falsification. At the end of the War OWI was rendering a definite contribution to the American war effort in China. Recognition of this was given by General Wedemeyer who put planes and men at its disposal and who partially incorporated into the Army OWI's psychological warfare branch.

Mr. La Moore might be excused if he had not been in China during the war, or even if he had been a regular correspondent who might have listened too long to some friend in the embassy. However, neither is the case. He was one of two press agents brought to China by Ambassador Hurley in the latter's attempt to publicize himself. With the rank of lieutenant-colonel in the Army, and with a lieutenant-colonel's pay and living allowances, La Moore lived free—at government expense—in the OWI hostel in Chungking. Living with OWI personnel, he undoubtedly was in an unexcelled position to see better than anyone else the actual workings of the organization.

His current articles upon the subject lead to one of two conclusions: Either he is deliberately falsifying the facts for personal reasons, or he simply is not a reporter, being unable to see what was plainly under his nose.

Death Of A Journalist

LAST week Yang Chow, a young Chinese newspaperman who had "wrong thoughts," died in the provincial hospital at Hangchow of an illness contracted while a political prisoner in Marshal Ku Chu-tung's headquarters. Yang, who was a brother of Yang Kang, well-known woman journalist who is now in America as a correspondent for Ta Kung Pao, had been held in several places throughout the southeast since his arrest in Yungan, Fukien, on last July 23.

Although Yang's friends never were able to obtain a copy of the official charges placed against him and although he was never brought to trial, "officials" told his family that he was being held because he had leftist sympathies and possibly had connections with the communists in the New Fourth Army area. His release was postponed, it was said, because he would not change his "wrong thoughts."

For the past few weeks Yang had been in jail at Hangchow and it had appeared that at last he might be released. Several foreign friends who interceeded on his behalf after the Generalissimo promised to release all political prisoners were told that he would be freed shortly.

On December 31, 1945, Yang complained of illness and fever. By January 7—the date he was sent to the Hospital—he was unable to see or speak. On January, 12 he died of "acute malaria." A certain Mr. Li, head of the political department of the Third War Zone expressed his regret at Yang's death, saying, "he died because he took too much aspirin by himself before he was sent to the hospital." Li explained that the delay in hospitalizing Yang was caused by the absence of a General Han who has to approve the transfer of political prisoners to the hospital.

A graduate of Chiaotung University, Yang had been an editorial writer for newspapers and magazines for many years. In the early days of the war he narrowly escaped assassination by Wang Ching-wei gunman and fled to Free China for asylum.

Some of Yang's friends say that the real cause of his trouble lay in the struggle between Marshal Ku and Governor Liu Chien-su of Fukien; that Marshal Ku finally forced Liu to arrest some of the so-called "liberal" thinkers in his regime.

Regardless of the charges and counter-charges and the general confusion which seems to surround Yang's case, a few pertinent facts stand out.

Why wasn't the charge against Yang made public, instead of being concealed even from the accused's family?

Why, in a period of six months, was Yang moved from one jail to another without ever being brought to trial?

Last, why was so little attention given to Yang's health that he was allowed to become so ill that death was certain before he was taken to a hospital?

Clearly there can be no freedom of the press—even if censorship is abolished—as long as a fate similar to Yang's is held over the heads of China's journalists.

Student Demonstrations

THE students of Shanghai staged a parade last Sunday demonstrating against present student conditions and demanding redress of their grievances (see page 136). This parade, apparently an exhibition of a healthy, progressive student spirit, was an orderly affair, well conducted and well led.

However, on Monday there was another student demonstration. This time students picketed the French Consulate, shouting slogans of protest about the Tosoli affair. To the most unobserving, the two parades had little in common, the first obviously being spontaneous and full of student enthusiasm, while the second was obviously a "put up job," with nothing but primary school students, too young to fully understand what they were doing and led by their teachers, shouting and milling about and passing out well-printed handbills denouncing, in most grown-up terms, the French Consulate's action in removing Carcopino Tosoli, alleged French collaborationist, from Chinese jurisdication.

While we are in sympathy with the statement distributed by the students and feel that the French took extra-legal action in using a warship to remove Tosoli from Shanghai, it seems to us that this is a rather small matter to become so exercised about. Already an official complaint has been lodged with the French Government. If satisfaction is not received, then the matter may be carried further.

The thing that impresses itself upon us most is the fact that Monday's parade was not spontaneous, but carefully staged by non-students who made calculated use of students too young to know just what they were doing. This, plainly, is a bad thing and something China's student body must guard against. The students must not allow themselves to be made the tools of designing oldsters. If youths can be used like they were Monday, they may be used in the future for other and possibly sinister objects.

For instance, designing persons could conceivably use this method to discredit legitimate student movements in the future.

Come and Get It, but Out of the Same Dish

The New Communism

("The New Communism," which we are reprinting from the December 3, 1945, issue of the New Republic, originally appeared in the London Tribune, weekly organ of the Socialist left wing of the British Labor Party.)

THE communists today are a governmental force in most European countries—excepting only Britain, Holland, Greece and the formerly neutral states of Sweden and Switzerland, as well as the fascist dictatorships of Spain and Portugal. They are participating not only in the East European governments, which they dominate, but have eagerly taken their minority share in the democratic governments of France, Italy, Belgium, Denmark, Norway and Iceland. Even where they are still kept out, they are fighting to "get in"—evidently holding that political influence in a democratic country nowadays requires a share in the running of the state machine.

This picture provides a bewildering contrast with the Communist pre-war tradition. Before 1941, Communists outside Russia had taken part in government only in soviet republics, such as Bavaria and Hungary in 1919 and Red China in recent years, or in civil-war coalitions, such as in Spain, and in China during the advance from Canton, until the break with Chiang Kai-shek. The abrupt change in their attitude following Hitler's attack on the Soviet Union was regarded by many as a temporary wartime expedient. Today it is clear that the new policy has come to stay, and that it involves a profound change in Communist doctrine.

It is not the only innovation. Anybody who takes the trouble to follow the actions and the propaganda of, say, the French, Italian or British Communist Parties—to name only those most successful in operating under democratic conditions outside the Soviet sphere—will find that tactical changes are no less frequent than in earlier times; but as a rule they no longer take the form of violent "about-turns," with changes of leadership, factional feuds and expulsions. They take the form rather of smooth and often carefully concealed adjustments. There are still striking cases of "recantations," as with Harry Pollitt at the outbreak of war, after the Moscow pact between Russia and Nazi Germany, or more recently with the American Communist Party; but these are now exceptions.

The rule today is elasticity. The Italian Communists, under the extremely able leadership of Palmiro Togliatti, first attacked Badoglio, then joined the second Badoglio government, then helped to overthrow it under Socialist pressure after the liberation of Rome, then concluded a pact of unity with the Socialists, then continued in the Bonomi government after the Socialists had left it. But they maintained the unity pact with the Socialists, joined in the public criticism of Bonomi, and finally helped to overthrow him and to set up Parri's all-party government.

The French Communists, with Maurice Thorez and Andre Marty home from Moscow, have been similarly inventive in combining membership in the government with violent opposition to it and in combining a unity pact with the Socialists with a campaign of abuse against them, though somewhat cruder in its execution. If they have failed to win the French Socialist leaders for the preparation of a fusion, as in Italy, they have been all the more successful in gaining controlling influence in the trade unions and, as the elections show, have achieved that ancient Communist goal—the support of the majority of the industrial working class.

There can be no doubt that these successes are not only the reflection of Russian prestige and Communist heroism in the underground struggle against the Nazis, but, to a considerable extent, the fruit of the new strategy and tactics of the parties themselves. . . . [Their influence in the trade unions would be less great today if they] had gone on solemnly announcing a "turn of the line" at every change of tactics and reproaching their leaders every time with "Opportunism" or "Leftism." Stability of a national party leadership, its gradual growth in political experience and prestige, was incompatible with the earlier Communist practice.

This greater adaptability is not due to any relaxation of the strict centralism characteristic of the Communist Parties. The rule of the Central Committee and of its inner circle, the Politbureau, over the party's executive organs in parliament, municipalities, trade unions and other "mass organizations," remains as strict as ever. Resolutions proposed by the leaders are no longer adopted after a struggle between opposing factions: they are adopted unanimously. Nor has the dissolution of the Communist International diminished the close international coordination of Communist policies; the new strategy is itself international, and in the many national conflicts now raging in Europe the Communist Parties advocate solution closely attuned with each other and with Russian policy, although each of them is supported by specific patriotic arguments. The point is that the central control iself is exercised in a more practical and less dogmatic spirit, and that the members have exchanged their earlier preference for dogmatic disputes for an attitude of confidence in the leaders which is ultimately dervied from their confidence in Soviet power.

The key to the new role of the Communist Parties must therefore be sought in a revision of the fundamental Communist doctrines themselves, and a corresponding change in long-term Communist strategy. These changes have never been made explicit; but it is not difficult to decipher them from the recent evolution in public Communist theory and practice.

The beginnings of the change go back to the days of the Popular Front in Western Europe: then, for the first time, a Communist policy was devised, not for the purpose of obtaining power by the overthrow of the bourgeois state, but for the purpose of obtaining influence within that state. But how hesitant does this policy, with the Communist refusal to join the French Popular Front government, appear compared with present practice, and how severe was the relapse into dogmatic isolation after Munich and during the early period of the war! Then the Communists were merely groping for a distinction between what was essential for maintaining the common faith of their movement, and what was out-of-date dogmatic ballast. Today they have found it. That is the real meaning of the "increased political maturity" which was given as the basis for the dissolution of the Comintern in 1943.

The essential faith has been reduced to four main points. The first is that capitalism is doomed to lead to fascism and war; the second, that socialism consists in the complete nationalization of the means of production; the third, that this cannot be carried out or developed without the dictatorial power of a single Communist Party; and the fourth, that the future of socialism, and of the world, is bound up with the power of the Soviet Union.

The first two points are, of course, held by the Communists in common with many Socialists; it was for offending against the first that Earl Browder, of the American CP, was rebuked in magisterial fashion by Jacques Duclos. The thing to be noted here is the strict Communist interpretation of point two: Nationalization alone is decisive for socialism, and it must be *complete* nationalization. A regime which merely nationalizes some key industries may be "progressive and worthy of Communist support; but, in approved Communist terminology, it is still capitalist.

The third point—single-party rule as a condition for socialism—has remained as important as ever. This is clear not only from Communist practice in Eastern Europe, with its gradual penetration of the coalition partners and its refusal to permit democratic parties to develop outside the Communist-inspired "Fronts"; it is also a necessary corollary to point four—the unique and exclusive socialist character of the USSR. Point four is, of course, the most important one. Decisions to sacrifice specific labor or national interests to the cause of the Soviet Union no longer cause disputes in Communist ranks; they no longer require complicated and far-fetched arguments. A Communist today will frankly admit to himself that this or that sacrifice to Soviet needs, and the resulting

difficulty for his party, matters little if only it helps to strengthen Soviet power—in which lies the ultimate hope of salvation. This agreement between the inner motive and the official argument is the enormous simplification of Communist politics which Soviet victory made possible.

Consider now the part of the original "Leninist" dogma which has been abandoned. It is no longer laid down that power can only be achieved by a mass rising against the existing "bourgeois-democratic" state, nor that organs of the Soviet type are the necessary vehicles of the revolution and the necessary institutions of a "proletarian dictatorship." A revolution against a fascist state may, of course, produce "Liberation Committees" with similar local functions, but based on delegations from different parties and "mass organizations"; these organs may be able to become the basis of the new state power, or they may fail to do so and give place to parliamentary institutions. The Communist has still his preferences—but he is no longer dogmatic about this point.

Above all, once parliamentary democracy has been establisded, he is willing to work in this framework. He no longer considers the "burgeois state machine" a necessary instrument of capitalist oppression with which he must at all cost avoid being identified; he sees in it a lever of influence wdich he is anxious to use. He believes that in favorable conditions such partial influence can be extended into total state power.

So long as these conditions do not obtain, it is the Communists' main task to use their influence in the Russian interest. For that purpose they will appeal to national or sectional interests, using patriotic working-class or peasant arguments as opportunity provides. They will not waste their strength in futile attempts to overthrow the democratic state—they will merely exploit all occasions for propaganda and all possible chances to exert executive influence. For this reason, some observers have concluded that the Communists, at least in Western Europe, have become genuinely democratic and national parties, while others have objected that these were merely transitory wartime changes in their tactics. The truth is the Communists have remained fundamentally dictatorial and "Russian," but they have genuinely ceased to be a revolutionary party in the traditional sense of the word.

At present the chief task of the Communists in Western Europe appears to be the occupation of "veto positions." While they are not strong enough to lead the country, it is their principal endeavor to prevent any development regarded as undesirable by the Soviet Union. In practice this means, above all, that they concentrate their efforts on opposing that closer cooperation of democratic-socialist Western governments which, whatever its real purpose, will be branded as a "Western bloc directed against Russia."

Charter Still Too Weak To Protect Rights of Man

By ERNEST D. STRAUSS, LL.D.

THIS trial proclaims the revolutionary, if not novel, teaching that blatant violation of the basic principles of humaneness constitutes so impardonable a crime that even chiefs of state, heads of governments of sovereign nations and officers and civil servants merely acting under orders of their superiors are liable to punishment if found guilty thereof.

But once you start to follow up this teaching to its logical consequences, you find yourself before long beset by a host of ideas fraught with explosive power.

The Nuremberg Trial was after all an emergency measure. It was necessary to atone for the past, and to put the fear of the Lord into the hearts of potential future evil-doers. But it suffers from the draw-backs attendant upon all improvisations. Its underlying ideas hold revolutionary potentialities, but for this very reason they do not seem fit to serve as a source of steady progress. The task before the architects of peace—another analogon to the atomic bomb—, are to tame this devastating energy and to harness it to the peaceneeds of civilized mankind. The stage of improvisations must be left and a system be created.

There are two special reasons pointing in this direction. For one, in case this trial remains an isolated fact not to be embodied in a universally accepted code applying to all nations, it will leave a bitter taste in the mouth of the conquered. For us it is an act of supreme justice, but for them it is likely to mean nothing more than a new variation of the old theme-song: Woe to the vanquished!

The moral they are likely to draw from it will not be that inhumaneness, like a mad dog, turns in the end against its own master, but simply that victory imparts unlimited power and that it is to be achieved at any cost, by hook or by crook, and that the thing to do is to be still better prepared for the next time.

New Christianity?

Again, this fear of a ghastly "next time" and the problem of enacting legislation for the protection of the human person are curiously interwoven. Used as we are to speak in general terms we are inclined to denote certain nations as bellicose others as peaceloving. But this is rather sloppy thinking.

After two devastating wars, there exists in every nation at least a sizable minority of people really bent upon preserving peace and honestly adverse to all kinds of bellicose adventures. As long as these people are allowed to speak their minds, no dictator will feel quite safe to embark upon a policy of agression. In these days of totalitarian, and still more totalitarian warfare, he needs a closely knitted, single-tracked nation behind himself.

First these inconvenient minorities have to be re-educated by the means best calculated to achieve this purpose, by the rubber truncheons of a more or less special police or by the ministrations of the tough-boys of a "patriotic" party. as the case may be. True, there are certain rules in the constitutions of every civilized nation calculated to guarantee the rights of the person which, in the hands of a determined minority, could at least place some obstacles in the way of these meritorious activities.

But fortunately the only guardian of these awkward rules is again the same nation-state so deeply interested in the smooth functioning of this educational machinery. It is, therefore, an easy thing to dispose of them, expressly or *via facti*. Conversely, whenever a certain state proceeds to put these precious rules embodying the best traditions of the human race out of operation, you may trust this nation for applying methods similar to those that have proved so successful in the interior, in its dealings with its real or alleged outside antagonists.

The outcome is that these rules designed to protect the human freedoms are themselves in urgent need of protection, that this protection can come only from the outside and that it should be accorded not out of sympathy with the respective minorities concerned, but from sheer self-protection.

But sovereignty, though no longer the forbidding figure of past centuries, will still have to play an important part for generations to come. If it is to be henceforth exercised only within the limits of humaneness, it is imperative to stack out its demarcations beyond mistake. It is very well to say that the Nazis have placed themselves outside the pales of humanity and therefore can no longer be treated as human beings.

But where exactly are these pales? It is well to remember that even these cruel tyrants did not start out with horrors like those revealed in this and other trials. It got under way comparatively mildly, with defranchising their opponents, with discrimatory measures against Jews, Free-Masons, pacifists, professing catholics and the like, with concentration camps still limited to the most active dissenters, and only when it was found that the outside world sat back, inactive or even with silent approval, the pace along the fatal road was being stepped up until it terminated in the gas-chambers of Belsen and Buchenwald.

Just at what moment had the measure been made full, and outside intervention become a necessity? It can not be left again to the hazard of a bloody war to declare after the act that the territory of humanity has once more been trespassed upon. A code of decent behavior towards human beings, citizens and foreigners alike, has to be set up, and there must be somebody to enforce it. This means nothing less than that mankind will have to revert to some degree to the pre-sovereignty system, and that a sort of new Christianity on a broader basis will have to be founded.

An organ would have to be created empowered to declare certain acts, laws and regulations of sovereign states as illegal, and in case cr minal, and when such declaration proves ineffectual, it would have to have authority to point out to the leaders of this nation that in case they persist, the principle of sovereignty will cease to shield them, and that then and there their personal responsibility sets in.

The authority vested in this organ would even have to go so far as to serve notice upon the civil servants of the guilty nation that the allegiance due to their superiors will no longer be considered an excuse for carrying out the orders purporting to enforce the regulations declared illegal, and that they too would make themselves personally responsible in doing so. In short, the power vested in this organ would have to be no smaller than that of the Pope at the peak of his authority, only it would be better suited to the task because it could rely on principles freely accepted by all civilized nations.

Impossible, you will say, unfeasible. But don't forget that the hey-days of sovereignty are gone and the indications are increasing that mankind will not tolerate the persistance of the old system in its unmitigated form.

Charter New Gospel?

But does not the Charter of United Nations, this new gospel accepted by three quarters of civilized mankind, take care of this complex of questions? Does it not provide machinery sufficient to prevent the recurrence of methods like those of the Nazi?

In short, it does not, at least not in the sense above indicated. Far less revolutionary in its build-up than the bold ideas underlying the Nuremberg Trial, it sticks carefully to the traditional conception of sovereignty. Only nations are eligible as members and "relationships among them shall be based on respect for the principle of sovereign equality" (Art 78).

It is not that the redactors of this document would in any way underrate the momentous importance of defending the rights of the person against fnture attacks. On the contrary, it includes the maintenance of these rights among its chief objectives and does not tire to assert them in the most solemn form.

Right in the beginning of the preamble, and second only to "saving succeeding generations from the scourge of war," it quotes as one of its raisons d'etre *"to reaffirm faith in the fundamental human person, in the equal rights of men and women."* This is being reiterated in Art. 1, speaking of the purposes and principles of the organization, and is given may be the clearest expression in Art. 55 enumerating among the conditions necessary for peaceful and friendly relations among nations: *"Respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion."*

But this is all of a purely declaratory nature, and when it comes to the all-important question what could be done in case one of the high contracting parties should fail to its solemn pledge and contravene these lofty principles, we are left in the dark.

Even so it is not without considerable value. It means at least that questions relating merely to the relationship between the individual state and its own citizens have for the first time been declared to be a matter of concern to the entire family of nations. It gives to principles—hitherto embodied only in the divers national constitutions—a firm international and universally accepted backing. A very illuminating fact in this instance is the reported judgment of a Canadian court declaring a will excluding a Jew from the succession to a certain inheritance as invalid for being in contrast to the principles laid down in the Charter. But it is of course a far cry from encourageing the application of these principles in one's own courts of law from defending them when elsewhere violated.

It is not without interest to see how the defense of human freedom, prominently emphasized in the initial chapters, finds itself relegated more and more to the background as the Charter proceeds. There is a marked difference between the handling of purpose No. 1, prevention of wars, and purpose No. 2, protection of the human person. The care of the first is entrusted to the Security Council, an organ not subordinated but coordinated to the General Assembly and vested with authority to employ far reaching measures ranging from "recommendations" to the use of armed force. But the cases in which action of this kind can be taken are strictly limited. They are: Threats to the peace, Breach of the peace, and Acts of aggression.

The second purpose is put into the guardianship of the Economic and Social Council together with a number of other objectives. This agency is subordinated to the General Assembly and its power is limited to making recommendations. There is, to be true, one way by which acts of inhumaneness might be brought under the jurisdiction of the Security Council. Under Art. 34 of the Charter this organ is entitled to investigate *"any situation which might lead to international friction or give rise to a dispute."* Supposing a great deal of good-will, and using a very broad-minded point of view, violations of the civil rights might be brought under this heading. But by no stretch of legal interpretation could they be termed as breaches of or direct threats to the peace, and so even the Security Council is limited to making recommendations.

The International Court of Law, another organ coordinated to the General Assembly, does not come into the picture. Only disputes between the individual states fall within its competence, and only nations can be parties before it. Here again a tiny loop-hole is left. Under Art. 96 the General Assembly, the Security Council or even other agencies of the United Nations or special agencies so authorized may request the Court to give an advisory opinion on a legal question.

Again stretching the art of legal construction to breaking point, the Court might by this devious route be brought to declare the behaviour of a certain nation-state towards its own citizens as running counter to the solemn pledge undertaken by subscribing to the present Charter, and consequently illegal.

The utmost, therefore, that could be hoped for, in case of a flagrant violation of the fundamental freedoms is the following: The Economic and Social Council in its capacity as appointed guardian of the rights of the person might take the matter up and make recommendations.

In case they go unheeded, it might communicate with the Security Council. This organ might make other recommendations and ask a legal opinion of the International Court of Justice. In case this high tribunal pronounces the action in question illegal, and the guilty state perseveres in its behavior, the matter might be brought before the General Assembly, and this might go to the length of expelling the guilty state for "violating the principles contained in the present Charter." But that is all there is to it, and it remains doubtful whether a nation embarking upon the road of discrimination would be much overawed by the prospect of losing its membership.

Such a circuitious way, and one so bristling with legal and practical difficulties as to make it well nigh impassable does not hold out much promise. But as long as the principle of sovereignty is maintained intact, as it had to be at the time of drafting this Charter, it is the utmost that could be achieved. Never the less, the conviction is fast growing that the present state of affairs is untenable and that part of the sovereignity of the individual states should be surrendered. The most enlightened statesmen of three big nations have pronounced themselves in favor of it. Quite recently, one of the world's leading scientists has especially stressed the need of departing from the concept of non-intervention as contributive to international conflicts.

Once this is in principle conceded, comparatively little changes in the present Charter would be needed to convert it into an efficient instrument for protecting the rights of the person. The competence of the International Court of Justice would have to be extended to investigate into the validity of legal and factual measures of the individual member-states affecting the fundamental freedoms of their own and of alien citizens, and to declare them invalid if running counter to the principles of the Charter.

Besides sovereign states, other international organizations especially designed to defend the rights of the person, such as the International Red Cross or the League for the Rights of Man, would have to be given the privilege of being parties in cases before the Court, and the Security Council would have to be given authority to treat actions of the individual states declared illegal by the Court in the same manner as breaches of the peace.

All this may still sound utopic and fantastic. But it is becoming increasingly clear that some kind of central regulation of the questions affecting the destiny of the race is inevitable, and as Emery Reves in his recent book has very appropiately put it, there are only two ways by which this central authority could be set up: The way of force and the way of law. Put before the choice of world domination by force or by law, it should be a foregone conclusion which way humanity will elect. Rule by legal reconstruction, however, will necessitate to incorporate the principles first adopted in the Nuremberg Trial into the framework of the Charter of United Nations.

After all, this is no more fantastic than, for instance, placing part of the armed forces of the United States at the direct disposal of the Security Council, a motion which has been passed in the American Senate.

Do Your Shopping At the Home of Merchandise

The Sun Sun Co., Ltd.

SPECIALIZING IN NATIVE PRODUCTS
AND TRY OUR

SKY TERRACE

THE SUN SUN RESTAURANT
IN THE SUN SUN HOTEL

For Better Service, Enjoyment & Entertainment

720 Nanking Road Shanghai

China Needs Nation-Wide Business Organization

By JOHN AHLERS

THE time has come for the establishment in China of a national association of big business. There is in this country a multitude of guilds and other collective bodies representing one or another line of business, such as organizations of bankers, of textile industrialists, of merchants, etc. There also are numerous formal and informal corporations representing the business of a certain locality, such as the chambers of commerce. But there is lacking a nation-wide organization which would represent all of China's business upon a nation-wide plane.

Never in the history of China has there been any such organization. It has been pointed out by several historians and economists that in 4000 years of China's history, business never once dominated or decisively influenced the state. The government of China was in the hands alternately of the feudal aristocracy, the military, and the mandarinate. Business influence never exceeded strictly local importance. A general business standstill, organized by a local chamber of commerce, might occasionally oust an obnoxious city or district magistrate, but would hardly ever influence a provincial authority, or come to the notice of the national government.

The history of many Western countries, and especially of those which at one time or another played a leading part in international business, took a different course. In Ancient Greece, in Europe during the Middle Ages, and in the maritime countries in absolutist and modern times big business again and again gave decisive turns to political and military developments. In the Marxist view, the so-called imperialism of the great powers is supposed to be directly generated by big business interests, both consciously and subconsciously. Yet it is but comparatively recently that big business in Western countries formally organized upon a nation-wide scale.

It was during and shortly after World War I that such organizations were created in Europe. Germany's Reichsverband der Deutschen Industrie became the powerful spokesman and agent of post-1918 German industry, and soon acquired undisputed leadership over the head organizations of German finance and commerce. In the United Kingdom, the Federation of British Industries aimed at similar dominance, though it was not equally successful. In France, the famous Comite des Forges, though strictly representing the heavy metallurgical industry only, acquired more power and influence than Britain's Federation, and almost as much as Germany's Reichsverband.

In China, during the tutelary era of the Kuomintang regime and the civil and foreign wars of the past twenty years, there was no place for a similar nation-wide organization of big business. But now, with the armistice between the Government and the Communists, the Political Consultative Council, and prospects of the convocation of the People's Political Council, things are different. All the political camps, all the social strata, and all other groupings prepare to voice their views and exercise influence in the new era of democratization to which the Government now stands pledged. Clearly this is the time for big business to come out into the open, and to take a determined stand for its views and interests upon a public and nation-wide platform.

A national association or organization representing big business of all China would have, in the main, a twofold task. It would have to ascertain the views and policies upon which all the major interests and groupings of business in China can agree, to formulate and voice these views and policies, and to see to it that they are duly considered in the formulation and enforcement of Government policies. This does not mean that big business should dominate and lay down the law to the Government. But there is no reason whatever why the Government should have to take into consideration the views of every political party, or military group, or province, or educational and student body, and not also those of big business. And to be taken into due consideration, big business views must first be ascertained, formulated, and comprehensively expressed. To do this, a permanent organization is required.

The other main task of a national association of big business in China would be to assist the Government in carrying out its economic policies. A good deal of the comparative helplessness of China's Government as confronted with economic and financial rackets results from the absence of such an organization in this country. The ordinary apparatus of routine administration cannot be relied upon to cope with intricate economic problems peculiar to modern times. This was the experience of Western countries as well. The governments of most European and Latin American countries, in the past few decades, deliberately encouraged or even ordered the creation of nation-wide big business organizations, so that the ministries of finance and of commerce and industry would have a ready-made apparatus through which to enforce their economic and financial regimentations.

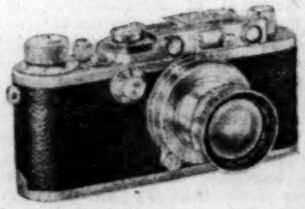
Shanghai being the leading business city in China, it is up to Shanghai big business to take the initiative in this field. This initiative should be taken right away. Delay will not help or solve anything, but will merely suggest to the Government to take the initiative itself.

PARKER COMPANY offers you the highest prices in buying your fountain pens; **PARKER, CONKLIN, SHAEFFER, EVERSHARP** etc. at 197 Honan Road, Shanghai, Telephone 96895.

The National Industrial Bank of China
Transacting
Modern Banking Business
Branch Office: 130 Peking Road, Shanghai—Tel: 18725-9
Sub-Branch: 428 Rue du Consulat, Shanghai—Tel. 87817-85432

司公鏡眼華精
The National Optical Co.
Phone 91224
281 Nanking Road,
SHANGHAI

DOLLAR COMPANY
PHOTO SUPPLIES DEPARTMENT



Quality Cameras, Lenses and other photographic materials.

Speedy repairing, Developing and Printing service.

20 Nanking Road Tel. 14777
44 Myburgh Road 36409

INTERNATIONAL LAW, TRUST OFFICE

Handles-All-Legal-Matters-In-Connection-With-Criminal-And-Civil-Affairs.
Specialising-in-real-estate-management-registration-of-land, Property, Corporations and inheritance-law.

Room 221 Sassoon House
Nanking Road
Tel: 13844

C. H. LEE, LL.B.
Attorney at Law.

Bretton Woods—A New Phase In World Economy

By ALFRED LANDSBERGER LL.D.

A FEW days ago the decisions made by representatives of 44 nations in July, 1944, at Bretton Woods were signed by the governments of 31 nations. The agreements, in brief, provide for an International Monetary Fund and for an International Bank for Reconstruction. The Fund aims at stabilizing currencies and at exchanging them at a "fair rate" to counteract undesirable market fluctuations. The International Reconstruction and Development Bank is to promote reconstruction and development for member countries by facilitating investment of capital for productive purposes on a long term basis. This will be done by guaranteeing, supplementing or participating in private loans.

The subject to be discussed in the coming International Trade Conference to be held next summer, is expansion of world trade and invitations have already been sent out to all countries except Argentine and Spain, according to press reports. The White Paper of the USA State Department suggests the following points for discussion:

1) Removal of restrictions imposed by governments;
2) Removal of restrictions imposed by private combines and cartels;
3) Dispelling of fears regarding disorders in markets for primary commodities;
4) Removal of irregularities in production and employment;
5) Creation of an international trade organization to deal with trade barriers, restrictive business practices and international commodity arrangements.

In the International Trade Conference governments will be asked to remove trade barriers. If governments should express fear that by an unconditional removal of trade barriers their economy might be endangered because the expected "automatism" (excess of imports—currency of a country offered on the world market without a sufficient demand so that a consequent drop in value occurs—stimulation of exports) might not work satisfactorily, it will probably be pointed out that the Monetary Fund and the Reconstruction and Development Bank have been especially created to meet this danger. The Fund namely is to absorb currencies of excessive import countries offered on the world markets with the aim to counteract fluctuations dangerous to the currency and economy of such a country while the Reconstruction and Development Bank will help to develop production in those countries in order to create wealth and to increase their exports.

If governments accept these measures as sufficient security and open their countries to the free influx of goods and services from abroad, will they be disappointed by developments? Will the Monetary Fund and the Reconstruction and Development Bank be able to do the job?

There are no detailed reports available as to the activities of the Fund. However far-reaching these activities may be, this is certain: Movements of currencies (except loans) represent only the mirror of the real economic life, namely of the movements of commodities and services. The adverse situation arising from excessive imports makes itself felt not only by upsetting the currency of the country in question but also by an unfavorable influence on production and employment of such a country. If, therefore, the basic situation remains unsound, every attempt to maintain a stabilized rate of a currency must fail in the long run. Thus, even the Fund with such considerable means at its disposal can not help a country who's economy is upset by an unfavorable foreign trade situation.

Perhaps this possibility has been foreseen, because, if the sick child cannot be cured by the medicine at the disposal of the Fund, the Reconstruction and Development Bank is consulted and shall develop the production of this country by granting or guaranteeing private loans in order to promote exports and to create purchasing power.

Certainly, such a measure will be of tremendous value to the economy of such a country. However, creating or expanding a new line of production takes time, and results, enabling a country to meet the unfavorable situation of its foreign trade by sufficient exports, can generally not be achieved as quickly as the unfavorable situation requires. The picture is different if plans for an international division of economic production and distribution are laid down in advance.

One should be aware that such a plan of regimentation of international production and distribution is not without danger because it might paralyze development of world economy and might frustrate the very efforts to achieve free trade unless, within the framework of such a plan, the possibilities for free and sound development of the economy of each country are left open. At any rate, nothing has been announced indicating that such a plan is intended.

No single country can provide the highest standard of welfare for its people. Only by economic cooperation between nations can the maximum of goods of best quality at the cheapest price be secured for the average citizen. Sincere economic cooperation can only be achieved if nations are aware of its absolute necessity. Only then will nations put aside their separate interests and do their utmost to help in developing one another's economies. As long as a multitude of sovereign countries exists, representing separate political units with currencies built up on each country's own economic resources, the opening of borders for the freest mutual exchange of goods and services, necessary for a successful economic cooperation, is only possible if guarantees are established

Paper Charges Manila Consulate With Graft

The Chinese Consulate-General in Manila was the target last week of charges of corruption and inefficiency levelled by the Chinese Commercial Bulletin, leading Chinese paper in Manila.

The consulate, the paper said, was mismanaging the repatriation to China of 5000 destitute refugees by allowing wealthy Chinese business men to bribe consular employees for putting them on the repatriation list ahead of needy refugees.

Many of the 1273 passengers who sailed last week for Shanghai and Hongkong, the paper said, were not refugees at all but wealthy merchants.

The paper said: "We appeal to the Consulate-General to take measures against corruption of its members. Bribery and arrogance should be corrected and procedures for registration should be revised and adjusted."

Overseas representatives in Shanghai pointed out that this is but another manifestation of the huge problem of Overseas Chinese throughout all of Asia.

ART STAR
113 Central Arcade, Nanking Road
The best Place for.....
Linens, Silk Embroideries, Mandarin Coats, Fine Handkerchiefs Silk Scarfs, etc.
We give you Good Services, Superior Qualities in our reasonable Price.

新華信託儲蓄銀行
Sin-Hua Trust & Savings Bank
Head Office:
361 KIANGSE ROAD, SHANGHAI.
TELEPHONE 18109

"Tweed"
SHIRTMAKERS
MEN'S OUTFITTERS
well known for first class Workmanship
10 Central Road Tel. 10431

NEWS OF THE WEEK

Reds-KMT Say Truce Order Violated

WHILE both sides issued orders to all fronts in the threatening civil war to cease fire by midnight, January 13, the third session of the Political Consultative Council held in Chungking decided on the organization of a five-party investigation group to visit all disputed areas to observe how the cease-fire orders are being carried out. With the dilapidated state of communications, which lead to the various fronts, it was not expected that fighting would cease simultaneously on all fronts and reports have come in during the past week of alleged violations of the armistice.

Shortly after Mao Tse-tung, Chairman of the Communist Party, broadcast a message signed by the Central Committee which said, inter alia, that China had "entered upon a new stage of peace and democracy," Gen. Chou En-lai, leader of the Red delegation to the political conference in Chungking, lodged an official protest with the Chinese Government against the alleged continued advance of the Nationalist troops into Jehol province. The Communist New China Daily News charged that Government troops in Hopei and Jehol defied the cease-fire order, "ferociously attacked" Red troops near the Great Wall Border town of Kupeikow and "are very close" to the strategic Red stronghold of Chifeng.

The three cease-fire commissioners of the newly organized Executive Headquarters for implementing the cease-fire orders who arrived in Peiping on January 13, were Walter Robertson, U.S. Charge d'Affaires in Chungking, Gen. Yieh Chien-ying, Communist Chief of Staff, and Nationalist Gen. Cheng Kai-ming. Meanwhile the second session of the PCC saw the official introduction of the proposal for the broadening of the government basis when Kuomintang spokesman, Dr. Wang Shih-chieh, spoke of the plan drawn up by Dr. Sun-Fo, Head of the Legislative Yuan on non-Kuomintang participation in the policy making powers of the Government.

While the plan was acceptable in principle to all, disputes arose on technicalities but the retention of the leading positions by the Kuomintang and Generalissimo Chiang Kai-shek received the concurrence of all the delegates. The final powers of appointment to the proposed 48-man State Council, the highest policy-making organ in the country, will remain with the President, and the Kuomintang Central Executive Committee will approve all appointments.

Representatives of the Communists and the Democratic league promptly questioned the points of Dr. Sun-Fo's proposal regarding the power of appointment and the president's emergency powers, to which the latter replied that in the transitional period the Kuomintang, being the ruling party will retain "theoretically" these powers, which, however, will be later checked by the State Council with its financial and other policy-making powers. While the nation watched for concrete results of these negotiations, the reciprocal charge of cease-fire order violation came from a government spokesman in Chungking who asserted that the Reds were "enlarging rather than ceasing their military operations." He named the eastern section of the Lunghai Railway, where the Reds had allegedly burned villages, and Northern Honan where the Reds, he said, were attacking government-held Anyang.

By far the most serious charge made in the accusations and countercharges, was the alleged attack and capture of the port of Yingkow by Communist troops shortly after the cease-fire deadline midnight, January 13. Gen. Tu Yu-ming, Commander of the Chinese forces in Manchuria, radioed the Generalissimo asking whether to retake the port by force or through negotiations. While the battle for Yingkow was in progress, Government troops, by an agreement with the Soviets, prepared to move into Mudken by noon, January 15. The ... of Kuomintang troops into Mukden, ... richest industrial city in Manchuria, is the first time in the history of the republic that Nationalist troops have entered this city, pre-war traditional stronghold of warlord Chang Tso-lin and his son, the Young Marshall, Chang Hsueh-liang.

Indo-China French Not Permitted Arms

Press reports from Hanoi, Indo-China this past week described the city as being on the brink of an explosion, with Chinese forces prohibiting the 20,000 French residents from carrying arms, while fully armed Annamite soldiers, professing loyalty to the republic of Viet Nam, were at liberty.

With a crises evidently building up, a French spokesman claimed that anarchy prevailed throughout the northern part of Indo-China and that the Chinese would not allow the French to bring in troops to establish order.

The statement was issued following the assassination of Jean Baylin, a director of the Hanoi branch of the Bank of Indo-China.

that any excess of imports over exports will be balanced within certain periods.

The Monetary Fund and the Reconstruction and Development Bank, even if they do not prove sufficient to induce governments to remove the obstacles hampering international trade, are at any rate measures representing a big step forward in the development of international economic cooperation.

At the present stage of international economic cooperation they will help all countries whose international trade situation is unfavorable and will also increase mutual exchange of goods and services between countries. Some of the functions of the Fund and the Reconstruction Bank will be retained also when international economic cooperation will have progressed beyond the present phase.

W. M. Waterman's Tobacco Corp.

Bretton Woods—A New Phase In World Economy

By ALFRED LANDSBERGER LL.D.

A FEW days ago the decisions made by representatives of 44 nations in July, 1944, at Bretton Woods were signed by the governments of 31 nations. The agreements, in brief, provide for an International Monetary Fund and for an International Bank for Reconstruction. The Fund aims at stabilizing currencies and at exchanging them at a "fair rate" to counteract undesirable market fluctuations. The International Reconstruction and Development Bank is to promote reconstruction and development for member countries by facilitating investment of capital for productive purposes on a long term basis. This will be done by guaranteeing, supplementing or participating in private loans.

The subject to be discussed in the coming International Trade Conference to be held next summer, is expansion of world trade and invitations have already been sent out to all countries except Argentine and Spain, according to press reports. The White Paper of the USA State Department suggests the following points for discussion:

1) Removal of restrictions imposed by governments;
2) Removal of restrictions imposed by private combines and cartels;
3) Dispelling of fears regarding disorders in markets for primary commodities;
4) Removal of irregularities in production and employment;
5) Creation of an international trade organization to deal with trade barriers, restrictive business practices and international commodity arrangements.

In the International Trade Conference governments will be asked to remove trade barriers. If governments should express fear that by an unconditional removal of trade barriers their economy might be endangered because the expected "automatism" (excess of imports—currency of a country offered on the world market without a sufficient demand so that a consequent drop in value occurs—stimulation of exports) might not work satisfactorily, it will probably be pointed out that the Monetary Fund and the Reconstruction and Development Bank have been especially created to meet this danger. The Fund namely is to absorb currencies of excessive import countries offered on the world markets with the aim to counteract fluctuations dangerous to the currency and economy of such a country while the Reconstruction and Development Bank will help to develop production in those countries in order to create wealth and to increase their exports.

If governments accept these measures as sufficient security and open their countries to the free influx of goods and services from abroad, will they be disappointed by developments? Will the Monetary Fund and the Reconstruction and Development Bank be able to do the job?

There are no detailed reports available as to the activities of the Fund. However far-reaching these activities may be, this is certain: Movements of currencies (except loans) represent only the mirror of the real economic life, namely of the movements of commodities and services. The adverse situation arising from excessive imports makes itself felt not only by upsetting the currency of the country in question but also by an unfavorable influence on production and employment of such a country. If, therefore, the basic situation remains unsound, every attempt to maintain a stabilized rate of a currency must fail in the long run. Thus, even the Fund with such considerable means at its disposal can not help a country who's economy is upset by an unfavorable foreign trade situation.

Perhaps this possibility has been foreseen, because, if the sick child cannot be cured by the medicine at the disposal of the Fund, the Reconstruction and Development Bank is consulted and shall develop the production of this country by granting or guaranteeing private loans in order to promote exports and to create purchasing power.

Certainly, such a measure will be of tremendous value to the economy of such a country. However, creating or expanding a new line of production takes time, and results, enabling a country to meet the unfavorable situation of its foreign trade by sufficient exports, can generally not be achieved as quickly as the unfavorable situation requires. The picture is different if plans for an international division of economic production and distribution are laid down in advance.

One should be aware that such a plan of regimentation of international production and distribution is not without danger because it might paralyze development of world economy and might frustrate the very efforts to achieve free trade unless, within the framework of such a plan, the possibilities for free and sound development of the economy of each country are left open. At any rate, nothing has been announced indicating that such a plan is intended.

No single country can provide the highest standard of welfare for its people. Only by economic cooperation between nations can the maximum of goods of best quality at the cheapest price be secured for the average citizen. Sincere economic cooperation can only be achieved if nations are aware of its absolute necessity. Only then will nations put aside their separate interests and do their utmost to help in developing one another's economies. As long as a multitude of sovereign countries exists, representing separate political units with currencies built up on each country's own economic resources, the opening of borders for the freest mutual exchange of goods and services, necessary for a successful economic cooperation, is only possible if guarantees are established

Paper Charges Manila Consulate With Graft

The Chinese Consulate-General in Manila was the target last week of charges of corruption and inefficiency levelled by the Chinese Commercial Bulletin, leading Chinese paper in Manila.

The consulate, the paper said, was mismanaging the repatriation to China of 5000 destitute refugees by allowing wealthy Chinese business men to bribe consular employees for putting them on the repatriation list ahead of needy refugees.

Many of the 1273 passengers who sailed last week for Shanghai and Hongkong, the paper said, were not refugees at all but wealthy merchants.

The paper said: "We appeal to the Consulate-General to take measures against corruption of its members. Bribery and arrogance should be corrected and procedures for registration should be revised and adjusted."

Overseas representatives in Shanghai pointed out that this is but another manifestation of the huge problem of Overseas Chinese throughout all of Asia.

ART STAR
113 Central Arcade, Nanking Road
The best Place for.....
Linens, Silk Embroideries, Mandarin Coats, Fine Handkerchiefs Silk Scarfs, etc.
We give you Good Services, Superior Qualities in our reasonable Price.

新華信託儲蓄銀行
Sin-Hua Trust & Savings Bank
Head Office:
361 KIANGSE ROAD, SHANGHAI.
TELEPHONE 18109

"Tweed"
SHIRTMAKERS
MEN'S OUTFITTERS
well known for first class Workmanship
10 Central Road Tel. 10431

NEWS OF THE WEEK

Reds-KMT Say Truce Order Violated

WHILE both sides issued orders to all fronts in the threatening civil war to cease fire by midnight, January 13, the third session of the Political Consultative Council held in Chungking decided on the organization of a five-party investigation group to visit all disputed areas to observe how the cease-fire orders are being carried out. With the dilapidated state of communications, which lead to the various fronts, it was not expected that fighting would cease simultaneously on all fronts and reports have come in during the past week of alleged violations of the armistice.

Shortly after Mao Tse-tung, Chairman of the Communist Party, broadcast a message signed by the Central Committee which said, inter alia, that China had "entered upon a new stage of peace and democracy," Gen. Chou En-lai, leader of the Red delegation to the political conference in Chungking, lodged an official protest with the Chinese Government against the alleged continued advance of the Nationalist troops into Jehol province. The Communist New China Daily News charged that Government troops in Hopei and Jehol defied the cease-fire order, "ferociously attacked" Red troops near the Great Wall Border town of Kupeikow and "are very close" to the strategic Red stronghold of Chifeng.

The three cease-fire commissioners of the newly organized Executive Headquarters for implementing the cease-fire orders who arrived in Peiping on January 13, were Walter Robertson, U.S. Charge d'Affaires in Chungking, Gen. Yieh Chien-ying, Communist Chief of Staff, and Nationalist Gen. Cheng Kai-ming. Meanwhile the second session of the PCC saw the official introduction of the proposal for the broadening of the government basis when Kuomintang spokesman, Dr. Wang Shih-chieh, spoke of the plan drawn up by Dr. Sun-Fo, Head of the Legislative Yuan on non-Kuomintang participation in the policy making powers of the Government.

While the plan was acceptable in principle to all, disputes arose on technicalities but the retention of the leading positions by the Kuomintang and Generalissimo Chiang Kai-shek received the concurrence of all the delegates. The final powers of appointment to the proposed 48-man State Council, the highest policy-making organ in the country, will remain with the President, and the Kuomintang Central Executive Committee will approve all appointments.

Representatives of the Communists and the Democratic league promptly questioned the points of Dr. Sun-Fo's proposal regarding the power of appointment and the president's emergency powers, to which the latter replied that in the transitional period the Kuomintang, being the ruling party will retain "theoretically" these powers, which, however, will be later checked by the State Council with its financial and other policy-making powers. While the nation watched for concrete results of these negotiations, the reciprocal charge of cease-fire order violation came from a government spokesman in Chungking who asserted that the Reds were "enlarging rather than ceasing their military operations." He named the eastern section of the Lunghai Railway, where the Reds had allegedly burned villages, and Northern Honan where the Reds, he said, were attacking government-held Anyang.

By far the most serious charge made in the accusations and countercharges, was the alleged attack and capture of the port of Yingkow by Communist troops shortly after the cease-fire deadline midnight, January 13. Gen. Tu Yu-ming, Commander of the Chinese forces in Manchuria, radioed the Generalissimo asking whether to retake the port by force or through negotiations. While the battle for Yingkow was in progress, Government troops, by an agreement with the Soviets, prepared to move into Mudken by noon, January 15. The entry of Kuomintang troops into Mukden, the richest industrial city in Manchuria, is the first time in the history of the republic that Nationalist troops have entered this city, pre-war traditional stronghold of warlord Chang Tso-lin and his son, the Young Marshall, Chang Hsueh-liang.

Indo-China French Not Permitted Arms

Press reports from Hanoi, Indo-China this past week described the city as being on the brink of an explosion, with Chinese forces prohibiting the 20,000 French reesidents from carrying arms, while fully armed Annamite soldiers, professing loyalty to the republic of Viet Nam, were at liberty.

With a crises evidently building up, a French spokesman claimed that anarchy prevailed throughout the northern part of Indo-China and that the Chinese would not allow the French to bring in troops to establish order.

The statement was issued following the assassination of Jean Baylin, a director of the Hanoi branch of the Bank of Indo-China.

that any excess of imports over exports will be balanced within certain periods.

The Monetary Fund and the Reconstruction and Development Bank, even if they do not prove sufficient to induce governments to remove the obstacles hampering international trade, are at any rate measures representing a big step forward in the development of international economic cooperation.

At the present stage of international economic cooperation they will help all countries whose international trade situation is unfavorable and will also increase mutual exchange of goods and services between countries. Some of the functions of the Fund and the Reconstruction Bank will be retained also when international economic cooperation will have progressed beyond the present phase.

百萬金

烟香

W. M. Waterman's Tobacco Corp.

Shanghai Students Stage Day-Long Demonstration

By Y. F. CHAO

SHANGHAI students last Sunday carried on a day-long demonstration of protest against the Central Government, starting in the morning with a memorial service for students and teachers slain by government troops, and ending with a parade through Shanghai's streets.

Estimates in the daily papers of the number participating ran from 4000 to 20,000. Among the grievances aired were: The killing of students and teachers by soldiers and secret service agents in Kunming, Tsingtao and Nanking, the lack of personal freedoms and the lack of a democratic-coalition government in China. In addition, the withdrawal of American forces from China was demanded.

In honor of the late Mr. Yu Tsai, a middle school teacher who laid down his life for the cause of democracy in Kunming, a memorial service was scheduled to be held on January 13 in the Yu Fu Temple on Gordon Road. Mr. Yu was assassinated together with three other students on December 1, 1945, when secret service agents attacked Lien Ta and threw hand grenades into a group of students. The service was scheduled to begin at 2:00 p.m. but as early as 7:30 a.m. thousands of students, professional youths and workers began to arrive. Present at the service were Mr. Liu Ya-tze, old Kuomintang veteran, Mr. Ma Su-lun, veteran politician and educationist, Mr. Sa Chi-li, noted lawyer, Miss Hsu Kuang-ping, writer and widow of Lu-shen, Mr. Cheng Chen-to, well-known writer, and Mr. Ling Han-ta, professor. Two eminent personalities who were expected but did not turn up were Mr. Rolland Elliot, President Truman's personal representative, and Madame Sun Yat-sen.

At the memorial service, held in the Jade Buddha Temple, several well-known writers addressed the students, while more than 100 pairs of memorial scrolls sent by prominent persons, organizations, guilds and schools were hung on the walls of Shanghai's largest temple.

The service opened with the reading of the memorial essay by Mr. Ma Su-lun.

SPEAKERS

left to right: Unidentified student, Dr. Lin Han-ta, Liu Ya-tse and Ma Shu-lun.

Mr. Liu Ya-tze followed with a speech, saying: "Mr. Yu died not before the end of the war of resistance, but after it. He did not die under the feet of our enemies, but at the hands of our own people. Machineguns and hand grenades were used to kill peaceful citizens just because they asked for a unified China and a democratic government."

"Democracy can be realized only through struggle, never by bestowal. We will struggle for democracy, following the blood stains of Mr. Yu and others and accomplish what they left unfinished."

Mr Shu-lun, described the dead as four martyrs who have given their lives for the fight for democracy, saying, "You people are young and have had a taste of our republic. But people like us, who also have had a taste of the alien Ching Dynasty, can tell you now that the 34 years of the Republic have given us a better taste. Chang Tai-yi, our pioneer revolutionary, used to leap to the platform eagerly at every meeting, shouting, 'Revolution, revolution, we can't do without revolution.' But today our motto should be: 'Democracy, democracy, we can't do without democracy.'

STANDARD VACUUM OIL CO.

MOBILGAS MOBILOIL

and

All other high quality petroleum products

World-Wide Wireless

"Via CGRA"

FAST
ACCURATE
& RELIABLE SERVICE

交通部國際電台

Chinese Government Radio Administration

70 FOOCHOW ROAD TELEPHONE 11490

AUDIENCE

Students standing in courtyard of Jade Buddha Temple during Sunday's memorial service for slain professor.

Numerous other speeches were made by representatives of student bodies and other organizations, in which complaints were aired and problems discussed. One charge levelled against the Central Government claimed that plainclothes agents were sent to join the student bodies in order to foment disturbances and trouble. This was said to be the case when General Marshall arrived in Shanghai and representatives of student bodies had gathered to present a petition. At this time, it was said, agents posing as students directed the activities of some 200 "storm troopers" who caused such a disturbance that the police finally broke up the demonstration.

Upon the initiative of a student representative, the audience adopted a resolution to be sent to the Political Consultative Council, now in session in Chungking, petioning that the following demands be granted immedittely:

(1) Formation of a democratic coalition government.
(2) Re-election of delegates for the People's Congress.
(3) Immediate realization of the four promises recently made by Generalissimo Chiang Kai-shek.
(4) Cancellation of the ban prohibiting assembly and parade.
(5) Stopping oppression of students and control of thought.
(6) Increase of pay for teachers and workers
(7) Release of students arrested in Nanking and Peiping
(8) Equal treatment of students in liberated and free China.
(9) Severe punishment of officials responsible for the Kunming assassination.
(10) Immediate disbandment of secret service agents.
(11) Immediate release of all political prisoners
(12) Severe punishment and open trial of traitors and corrupt officials.

Despite repeated orders from officers of the Third Direction Army and the Shanghai-Woosung Garrison Headquarters to the contrary, the audience passed a resolution to hold a parade after the service.

They walked four abreast through Gordon Road, Bubbling Well Road and Nanking Road. When the demonstrators met G.I.'s, they shouted: "We want democracy; no civil war in China" and "you can go home." When they encountered trucks full of Chinese soldiers, they exclaimed: "Chinese do not fight Chinese; cooperation between soldiers and civilians."

The long parade then turned into Honan Road, Hankow Road and passed the buildings of news agencies, news papers and the Shanghai Municipality. The demonstrators shouted: "Tell the truth; no news blockade; no censorship; let the people speak; take counsel with your conscience; Don't tell lies; get rid of the control of people's thoughts down with secret service men."

As far as could be learned, no incidents occurred during the day, as the students marched through town waving banners demanding redress of their grievances and chalking slogans upon pavements and walls demanding the removal of U.S. troops from China. However, local press reports varied as to official reaction. The China Press reported that the Woosung-Shanghai Garrison Headquarters warned that the parade would not be allowed to proceed and the U.S. Army Newspaper Stars and Stripes claimed that two actual, but ineffectual, attempts were made to disperse the parade, once at the starting point and later when the students massed in front of the Foreign Y.M.C.A. The Shanghai Herald, though, maintained that the demonstration was entirely orderly and that the parade proceeded "under military protection."

Meanwhile, local educational circles pointed out that the Shanghai demonstration was closely tied to the large and rapidly-spreading sudent movement throughout the nation and predicted that China's student body was fast becoming a factor with which government authorities would have to reckon.

Orthopaedic Clinic

LEYSER BROS. & CO.

10 Gordon Road. Tel. 34617 (9-12, 2-6—Saturday 9-1)

We Supply All Kinds of Bandages as:

Arch Supports

Hernial Trusses
Abdominal Belts
Postoperation Bandages
Spine Supports
Pedicure

Apollo Reducing Belts

MARK YOUR RADIOGRAMS

"Via RCA"

FOR

DIRECT, RADIO TELEGRAPH SERVICE TO ALL THE WORLD

(Cooperating with the Chinese Government Radio Administration)

FOR FREE FORMS APPLY TO

RCA COMMUNICATIONS, INC.

A SERVICE OF RADIO CORPORATION OF AMERICA

Sassoon Arcade, Nanking Road

Tel. 12558

EVENTS IN BRIEF

As the result of the steadily mounting deficit in the monthly budget of the Shanghai Municipal Government since September, 1945, City authorities have applied for a grant-in-aid from the Central Government and also have decided to increase local taxes. In September, revenue accruing from various sources amounted to CN$16,000,000, while expenditure stood at CN$53,000,000, thus giving a deficit of some CN$40,000,000. This deficit has steadily increased until it amounted to CN$1,100,000,000 for December, 1945, expenses being CN$1,600,000,000 and revenue only CN$500,000,000. With a view to curtailing expenses a number of SMG employees were discharged, but the deficit is still on the increase, it is said, on account of the recent hike of salaries in the City Government offices.

A sinking fund of CN$60,000,000 for loans was established at the City Bank of Shanghai and maximum tuition fees for primary and secondary schools were fixed in a scheme to aid local needy students. The fund provides for 500 students of university level with CN$24,000 each, 1000 high school students with CN$12,000 each, 2000 middle school students at CN$9000 each and 4000 primary school students with CN$6000 each. Loans are redeemable half-yearly with interest at 10 per mille per month.

Following reports that utility company meter-readers were not allowed to enter premises occupied by Chinese military personnel to perform their duties, a notification has been issued by the Shanghai Garrison Headquarters warning all military consumers of gas, water and power to conform with the regulations of the companies concerned.

Private broadcasting radio stations which reopened after the end of the war will have to close down in accordance with a ruling by the Ministry of Communications which says that no private stations can be put up in this city.

A two-month extension was granted religious institutions to conform with a ruling of the Bureau of Social Affairs which says that all religious bodies including Buddhist monasteries, Christian Churches and other institutions, irrespective of nationality, must register with this Bureau.

Manslaughter and arson were reported recently in the Ningpo area which is said to be infested with armed bandits, according to a telegraphic report received by the Ningpo Residents, association.

Police authorities have warned the managements of the Cathay and the Metropole hotels here for not conforming with the recently promulgated regulations regarding fixation of ceiling prices for rooms and abolishing all extra charges and service tips by hotel personnel from guests, reported the Ta Wan Pao.

A loan to the extent of one month's pay has been granted employees of the Chinese Maritime Customs here, repayable in 10 monthly instalments starting from next March.

Iron gates separating the ex-French Concession from the Nantao district along the Boulevard de Deux Republiques are being removed by the Bureau of Public Works.

Two prefabricated 500-bed hospitals originally built in Australia for the Royal Navy were bought last week by UNRRA for delivery to China.

The British-corvette "Petunia" was handed over to the Chinese Navy's representative, General Kwei Yung-ching, at Plymouth under the new Lend-Lease agreement. The vessel will be manned by a Chinese crew which has been under training for a year.

Military Police reports from Manila indicated that two rich Chinese were recently held for ransom and forced to pay 20,000 and 25,000 pesos each for release. Wealthy Chinese are reported hiring bodyguards.

A survey recently conducted by agents of the War Shipping Administration revealed that U.S. seamen are the highest paid in the world, receiving on an average US$145, as compared with US$58 for 15 other nations, with Canadian seamen second with US$81. With the 30 percent increase now demanded by U.S. seamen their pay would amount to US$185.50.

The well-known Yoshiwara, Tokyo's "red-light district," was the scene of "democratization" when the Tokyo Brothel Keepers Association decided to release 300 girls, who will now be forced to shift for themselves. The brothel keepers have announced "easy terms" for repayment of debts owed by girls.

Stating that the American Youth for Democracy group "reflects all the sinister purposes of the Communist Party in the United States," J. Edgar Hoover, Federal Bureau of Investigation Director, denounced U.S. Communists in an address to the American Catholic Youth in New York. He stressed the need for combatting attempts to undermine the American system of Government.

For Russian Cuisine

at its best

815 Avenue Joffre

870 Bubbling Well Road

Patterson Meets With G.I. Protest Group

A STEERING committee representing local U.S. enlisted men was presented to U.S. Secretary of War Patterson upon his arrival from Japan by Lieutenant General A. C. Wedemeyer. The hopes which local EM had pinned to Patterson's arrival were shattered when the latter expressed the suggestion that "grievances and protests be taken up with commanding officers" and added that he did not believe in meetings of protest.

While the atmosphere of Patterson's meeting with the EM committee was favorable for GI's and a promise was extracted from Patterson to the effect that he would give official consideration to their complaints against "the slowdown of the demobilization and the inadequacies of the point system", the final word was said by the secretary who referred the EM to General Dwight D. Eisenhower's speech before Congress January 15.

Eisenhower said that every enlisted man with 45 points or 30 months service will be out of the army or en route to separation centers by April 30, and added that every man with 40 points or two years service will be out of the army or in the processing center by July 1. This new order calls for the release of 2,200,000 men by the end of April, 500,000 of them in the Pacific area. An additional 500,000 will be released by July 1, thus leaving a total strength of 1,500,000.

The China Theater EM Committee was formed as a result of the growing questioning attitude of local GI's regarding the "slowdown", as evidenced by many letters addressed to the "B-Bag" section of the Army Newspaper Stars and Stripes.

Democratic spirited GI's resented allusions in the local press to their being "homesick GI's clamoring to go home" and asserted that these men are not engaged in unprecedented action but that normal and democratic processes are at work. Their aim, they pointed out, is to inquire into the demobilization program and the Theater policy.

Expressions of similar sentiments occurred a short while ago at points around the globe, one of the first GI demonstrations being held at Frankfurt, Germany. Similar parades and meeting have occurred in Calcutta and Tokyo.

Surplus Sales Funds May Finance Studies

Indicating continued American interest in cultural affairs in general and Chinese education in special, Sen. J. William Fullbright (Dem. Ark.), introduced a bill in congress in order to use funds from the sale of U.S. surplus war supplies in China to finance the interchange of Chinese and American students through a self-perpetuating fund. Other countries to be included in this bill are Australia, England, France, India, Russia and Italy.

The interchange would include transportation, tuition, maintenance and other scholastic needs up to $2,500.000 a year with any one country. The measure would make the State Department the diposal agency for all surplus property outside the United States and its territories. It would permit the Secretary of State to enter into agreements with foreign governments involved to use the money so obtained to finance studies, research and other educational activities for foreign students in America and Americans in other countries.

Who's Who in China

T. K. CHAO, director of Bureau of Public Works, Shanghai Municipal Government; born at Sungkiang, Kiangsu, 1900; graduate of Chiao Tung University, Tongshan, Hopei; research

T. K. Chao (Chao Tsu-kang)

曹祖康

member Cornell University; director, Engineering Bureau, Wuchow, Kwangsi, 1928-30; acting director, Highway Department, National Economic Council, 1932-38; director, Highway Department, Ministry of Communications, 1938-41; director, Engineering General Office, Transportation Control Board, National Military Council, 1942; vice-director, Highway General Administration, 1943-44; director, Bureau of Public Works, Shanghai Municipal Government, 1945; adviser, Ministry of Communications and War Transportation Board, National Military Council; appointed Chinese Government delegate to sixth and seventh International Road Congresses in Washington, D.C. and Munich, Germany in 1930 and 1934 respectively; founder of an automobile parts manufacturing plant in Chungking; editor, the Engineering Review; decorated by National Government for meritorious services rendered; honorary member, International Road Association and American Safety Association; address: Bureau of Public Works, Shanghai Municipal Government, Shanghai.

Local Newsmen Hail End of Censorship

Shanghai newspapers last week sent a letter to Dr. K. C. Woo, Minister of Information, heartily commending the government for its decision to end censorship.

The letter, which was signed by 50 local newspapermen, said:

"We have learned that the Ministry of Information has been instructed to carry out the promises concerning freedom of the press as was made by Generalissimo Chiang Kai-shek at the Political Constultative Council. We heartily welcome this step."

The letter added that local newsmen had requested the abolition of censorship here in a petition given to Vice-Minister of Information Hsu Hsiao-yien during the latter's visit here. This request is being acted upon, the letter said, and Mayor Chien Ta-chun has been instructed to abolish the press office.

PEOPLE IN THE NEWS

WEI TAO-MIN, Chinese Ambassador to to United States, who is en route to China, is scheduled to resign from his Washington post. Wei is accompanied by Hollington Tong, Former Vice-Minister of Information.

HENRY PU-YI, puppet Emperor of Manchoukuo, is reported to be still imprisoned in Moscow, while his daughter is said to be working as cashier in her husband's restaurant in Changchun.

MISS ELEANOR M. HINDER, former Chief of the Industrial and Social Division of the former SMC, is scheduled to return to Shanghai as a welfare worker of the UNNRA. Miss Hinder is the author of "Life and Labor in Shanghai's International Settlement," published in 1942 by the SMC.

PAUL LOJNIKOFF, ex-professional pugilist, who was arrested November 14, 1945 by U.S. Army war crimes agents and held at Ward Road Jail, was released last week due to absence of incriminating evidence.

A. M. ARINICHEFF, USSR Trade Representative, arrived here last week to head the Soviet Trade Representation in this city.

HEINRICH STAHMER, promoter of the Tripartite Pact and Nazi Ambassador to Japan was arrested by US authorities and placed in the Sugamo prison for further legal action. Stahmer was former German envoy to China.

JOE McCARTHY, 30-year old former editor of Yank magazine was appointed associate editor of Cosmopolitan shortly after his release from the Army. While connected with Yank, McCarthy published the Tokyo edition of that magazine.

GEN. HO YING-CHIN, Commander-in-Chief of the Chinese Field Armies, cannot personally attend the forthcoming Five-Power Military Conference in London as China's delegate owing to pressure of duties requiring his presence in China. Official circles reported that he will send a representative to the conference.

GEN. CHIANG KUNG-MEI, former chief of the Chinese military police in Shanghai, is to face court martial here on a long list of charges of corruption and graft. Chiang, who was the chief of the Chinese MP's here following the Japanese surrender, was arrested some time ago on orders from Generalissimo Chiang Kai-shek. Immediately after his arrest his MP force was disarmed and he was taken to Chungking. Chiang will face charges ranging from a bribe in the form of an automobile and CRB$200,000,000 to the seizure of 20 cases of candles, adding up to more than 20 serious charges.

GEN. PAI CHUNG-HSI, Deputy Chief of Staff, arrived in Shanghai last week on official business. Gen. Pai's visit here was in connection with the reorganization and training of troops in the Shanghai region. Gen. Pai returned to Nanking on completion of his business.

DR. CHANG PO-LING, well-known educator, left for the United States for medical treatment. Dr. Chang is expected to remain in America for three months.

DR. CHEN CHIEH, newly-appointed Ambassador to Argentina, who arrived in Nanking last week on his way to the United States, was scheduled to arrive in Shanghai a few days later.

DR. HO FENG-SHAN, Director of the Information Department of the Ministry of Foreign Affairs was scheduled to leave this week for Shanghai where he will inspect newspaper work and other activities.

LIU TSENG-HWA, newly appointed Special Liaison Commissioner of the Ministry of Foreign Affairs with the Supreme Allied Command in Japan will shortly leave for that country.

MAJOR-GENERAL CHIANG CHING-KUO, Generalissimo Chiang Kai-shek's personal representative to Moscow, returned this week to Chungking from conferences with high Soviet officials. In a press interview he stated that he greatly appreciated the kindness shown to him by the Soviet people during his short stay in Moscow.

More than 200 students from Shanghai, St. John and Fuhtan Universities and other schools and universities in Nanking Shanghai, Hangchow and other big cities recently came to the New Fourth Army liberated Areas complaining about suppression of Students patriotic activities, according to travelers reaching Shanghai.

"TIGER BALM KING" AW BOON HAW said this week that he would soon leave for the United States to purchase printing presses to start newspapers in Nanking, Shanghai, Tientsin, Peiping, Mukden and Formosa. He already owns newspapers in Singapore, Penang, Hongkong, Swatow, Amoy and Canton.

Often imitated Never equalled

VODKA "SNOP"
V-SPECIAL

The only vodka made exclusively
from our "PRIMAPRIMA" alcohol

FARIMEX DISTILLING WORKS

751 Ave. du Roi Albert

Tel. 71207 For Orders 70127

Greater Confidence Shown By Local Share Operators

SHANGHAI'S markets during the past few days displayed steady to firm trends, with bond and share prices ruling very firm. Various factors were working side by side to bring about a more bullish atmosphere. One of these is the still continuing easiness of the money market. Monthly interest rates have dropped to around 8 percent, and it goes without saying that such conditions by themselves should prove attractive to local operators.

On the other hand, the gold bar and U.S. dollar markets were concentrating less attention than in previous weeks since rumors of impending pegging of exchange rates were still circulating. A certain basis for these expectations could perhaps be seen in the fact that Chungking banks were accepting gold bars as security for loans at the rate of around CNC$85,000 per ounce. This attitude seemed to indicate an impending stabilization of the gold bar rate. Since gold, however, and the American dollar are closely associated in the local financial mind, speculators were reluctant to gamble in the dollar notes market.

This narrowing of speculative activities or possibilities helped to strengthen the security market where Chinese and foreign shares made great gains, while Government bonds were supported by a growing confidence in China's political structure.

Speaking of industrial shares, one should not overlook the fact that the Chinese interior at the present time is showing long-pent-up demand for cotton clothing materials and other articles. This fact holds out very enticing prospects for local cotton mills, the more so since overseas sources of supply will take a long time before they can make themselves felt on the local market.

As regards Chinese silk, export chances should also be good, at least for a couple of years or so, since at the present time Chinese silk is still cheap.

Questions of trade, however, inevitably lead one back to the often-debated problem of exchange and here uncertainty still prevails.

Although in theory two schools of thought are sharply opposing each other in this respect, one advocating free trade, the other control—in practice it might perhaps be useful to steer a middle course, with a period of moderate control interjected before a freer exchange of goods can take place.

After all, the present organization of the United Nations together with the Bretton Woods agreements should be able to open up a large area of free commercial contracts since it would be a pity indeed if responsible financial leaders should not have learned the gruesome lessons of two world wars. In this connection it cannot be said too often that the trade restrictions prevailing in the period between the two world wars were directly responsible for the chaotic economic and political conditions of this period which ended with the fiasco of controlled totalitarian trade policies.

The sooner, therefore, the Chinese exporter is able to go about his business unimpeded by exchange restrictions the sooner China will recover and gain back its place in the sun of international trade.

Wednesday's morning closing quotations were as follows:

Gold Bars	868,000	871,000
U.S. Dollar Notes	1438	1443
Wing On Textiles	1340	1360
Wing On Company	800	830
Nanyang Tobacco	5000	5200
Mayar Silk	920	940
Smart Shirts	76	78
Ewo Cottons	3850	3950
Wheelocks	9500	10,000
Metal Industries	1700	1750

Measures governing the liquidation of banks in the recovered areas were announced by the Ministry of Finance last week. Any bank that has registered with the Ministry of Finance is allowed to resume its business. Furthermore, all banks having registered with the puppet government have to suspend business. Lastly, native banks established previous to the war without registration are allowed to continue business for the time being. In Shanghai alone, there are 32 such native banks established long ago. They will be required to liquidate after a certain period of time.

金 城 銀 行

KINCHENG BANKING CORPORATION

200 KIANGSI ROAD

SHANGHAI

American Silk Boom Predicted

WITH the collapse of Japan's silk industry and the invention of a new gadget designed to do the work of 50 or 60 Japanese handworkers, bridging the gap between the cost of cheap labor and highly paid hands in the United States, Mineral Wells, an ambitious town in Texas, may well take over the place once occupied by Yokohama as the world's greatest silk shipping center.

The collapse of the Japanese silk industry has been caused by the cutting down of more than 1,100,000 acres of white mulberry trees, in order to clear space for growing food.

Up to now, the differential between Texas lobor and Japanese labor has been so great that there was no question of competing with Japanese silk prices. A new cocoon-reeler, developed by Gustaf Beckman, which is designed to pull off 14 sets of filament at a time, thus replacing the hand labor of from 50 to 60 women, is expected to do the trick. A five-spindle model worked well last season and a new 20-spindle model is being prepared for this year's crop.

Silk growing was first brought to Texas by Syrian immigrants. Their experience showed that although silk could be grown in the state, commercially the enterprise was not sound, for the filament from each cocoon had to be unrolled by hand.

With the development of Beckman's gadget the process is limited to the following: The cocoons are brushed in hot water to loosen the gum the silkworm uses to paste its fibre together. The loose outer end of the filament is inserted into the machine, which pulls off 14 sets of filaments at a time.

This machine, the Texans say, gives them a 40 percent edge in labor costs which will remain until and unless this machine is being used elsewhere.

Although a project for a large Texas silk industry has been submitted to the House Agriculture Committee and a subcommittee to examine this has been appointed, growing silkworms will remain a small family operation.

Since the mulberry leaves, on which the worm grows to be three or more inches long, have to be freshly picked every day, this work requires a family where some of its members can afford to undertake this as a sideline job. The worms feed in trays, floored with fine screen wire. Care has to be taken that dried leaves are removed since worms will die of colic if they eat fermented leaves.

Each fall some cocoons selected for their size and lustre are set aside for producing the next year's hatch of worms. The worms in these cocoons emerge as moths after ten days and mate. The females are sewn into cloth bags on which they lay their eggs and die. The eggs—"seed" to the industry—are tested for disease and

BUSINESS FOOT-NOTES

The once well-known China-Burma Pipeline was sold to an Indian firm last week for scrap metal. Maintenance cost and poor prospects for commercial use terminated the life of this outstanding engineering achievement. A similar fate, perhaps, was also awaiting the Stilwell Road, according to some experts who doubted the commercial usefulness of its peace-time operation.

The China Merchants Stock Exchange will operate soon in Shanghai, according to local financial circles. The reopening, however, of the former Shanghai Stock Exchange appeared to be doubtful, since Chinese law permits only one stock exchange to operate in one city. On the other hand, local bankers hoped that ways and means would be found to admit foreign members as well, just as foreign banks were admitted to the Chinese Bankers Clearing House. A balloting committee was also suggested whose task it would be to investigate the credit standing and financial status of companies before and after their listing.

China's silk industry is going to be re-vitalized if plans of the Ministries of Economic Affairs and Forestry should materialize. The China Silk Company, organized by the afore-mentioned authorities, is going to buy from Japan a total of 5,000,000 sheets of silk worm eggs and 5,000,000 mulberry trees, it was reported last week.

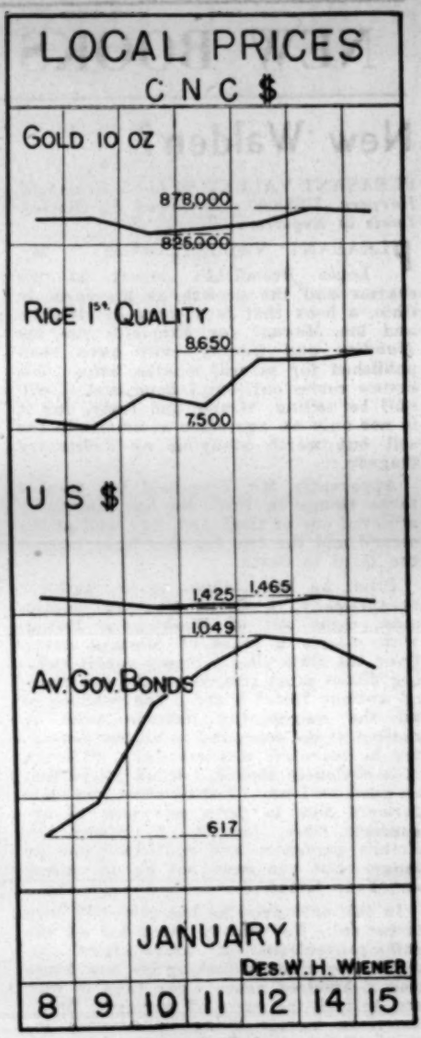
Cantonese merchants approached the authorities last week to revise the exchange rate for remittances from overseas Chinese which before the war amounted to several million U.S. dollars annually. Many overseas Chinese remit funds to Hongkong for conversion into Chinese dollars in order to evade the official rate set at CN$500 to US$1. By converting their funds through Hongkong they can get more than CN$800 to US$1 and through the black market rate they can raise this to more than CN$1500. The merchants also pointed out that the Chinese Government by maintaining the old rate is missing an excellent opportunity to secure U.S. dollar reserves.

Restoration of property rights to foreigners whose properties were confiscated by the Japanese will have to wait for the creation of a "Reparations Investigation Committee" which would look into the matter, Major-General Hu Chung-ching, 11th War Zone spokesman, told the press last week.

Another 14 Chinese factories, including the Wing On Textile Company's Nos. 2 and 4 Woosung Mills, the Hwa Chang Aluminium Factory and the Tsang Hwa Woollen Manufactoring Company, will be returned to their owners, according to a decision reached by the Alien Property Administration, Shanghai Area, last week. The same organization also decided to place on public sale large quantities of cold storage foodstuffs at low prices. A decision was also passed for the public sale of the second batch of enemy and puppet factories. This lot was said to consist of nine factories.

Killing the goose that lays the golden eggs seems to have become quite a favorite sport with financial authorities here. Should the excessive taxation continue there is little change of survival for small-scale businessmen, local financial circles pointed out. A small food store with a capital of CN$500,000 for example, would have to pay an income tax of 20 percent and an excess profit tax of 55 percent which would leave him the small amount of CN$125,000 per year as profit if his profit should amount to 100 percent in one year. The big capitalist, on the other hand, is in a much better position since with a capital of for instance CN$-100,000,000 he may make 19 percent profit per year and will then be taxed six percent income tax, without having to pay one cent of excess profit tax. He thus can make CN$19,000,000 a year and pay CN$1,140,000 as income tax, which procedure is netting him the comfortable profit of some CN$18,000,000. Unless a gradational scale is established, most shops will have to close down, local businessmen declared.

Six American ships to be turned over to the Chinese Government arrived in Shanghai last week. The China Merchants Steam Navigation Company is making preparations for the taking over of these vessels. These ships are estimated at about 10,000 tons each. Furthermore, another five smaller ships of approximately 2000 tons each also arrived in Shanghai and will be sold to strengthen the Chinese merchant fleet.



Local Prices

Firmer trends characterized local markets during the period under review. Gold bar and U.S. dollar quotations ruled steady, whereas rice prices and Government Bonds displayed upward movements. Government Bonds reacted to better political news which indicated prospects of a broader basis for the political structure of the Government. Government Bonds, moreover, moved in sympathy with other securities which appreciated during the past few days on brighter industrial prospects and more intensified speculative activities.

then distributed to growers in the spring. When the mulberry trees begin to leaf out, the worms are hatched in incubators and put out to pasture.

The maximum yield of an acre of mulberry tress would be about 5000 cocoons, reached in the third year, and would bring around US$2500. This, however, would require the services of 2½ workers and it is not expected that a family could manage more than three acres of silkworm farm.

The time from the worm's hatching until it is killed is about 45 days and this means that three broods of worms can be raised in the long Texas summer, while Japanese and Mediterranean growers have to be content with two and, at times, one brood a year.

A belt of 75 to 100 miles from North to South is envisioned in Texas where about 250,000 families could herd silkworms on 750,000 acres of mulberry groves. This would give an annual output of 112,500,000 pounds of raw silk, which would practically cover the whole silk market and hardly leave any leeway for the inroads of nylon and rayon.

COMMERCIAL EXPRESS & STORAGE
COMPANY, LIMITED

Trucking * Storage * Lighterage * Customs Brokers

Office:
53 YUEN MING YUEN ROAD — TELEPHONE 16933

Godown:
26 RUE MONTAUBAN — TELEPHONE 83828 & 83600

NEW BOOKS OF INTEREST

New Walden?

PLEASANT VALLEY *by Louis Bromfield, Harpers, US$3.00. Reviewed by Sinclair Louis in Esquire.*

PLEASANT VALLEY, which is Mr. Louis Bromfield's report of the charms and the growth of his farm in Ohio, a book that is at once his *Walden* and his *Manual for Etiquette for the Nobility and Gentry*, will have been published for several months before this review comes out, but I hope that it will still be selling, strong and lusty, for it is not only an agreeable summons to the soil but worth studying as a literary tragedy.

Apparently Mr. Bromfield has wanted three things in life. He has singularly achieved one of them and done well at the second and the two together have mauled the third to death.

First, he has wanted to be, however synthetically, a Great Country Gentleman, right out of Washington Irving, with merely a trace of Michael Arlen. Over the Ohio claret, merry rabbit-hunting ditties must rise round the guaranteed antique festal board. The vehicles of all the neighboring patrons must be noticed at his door, and to all the peasantry he murmurs democratically, "Though it is obviously absurd, *I* think you're just as good as I am. I shall show you Ohio farmers how to farm and how to appreciate Ohio, just as I showed the French gardeners and politicians how to hedge. But you need not go on calling me 'Your Grace.'"

In this enterprise he has evidently been successful. He bravely discarded all the dull conventions of architectural integrity, by cleverly making his new house look a hundred years older than it was, and he took the curse off having to be an American merely living in America instead of living in France by making the principal apartments "vague nostalgic copies of similar rooms in the house in France."

At Malabar—the name of the place reminds us that though Mr. Bromfield is now the farmingest of all American farmers, he has also lived in India and been elegant with rajahs—at Malabar, he explains, "There had to be rooms for business agents, for political and literary people, for actors and actresses, for visiting foreigners, for foresters and farmers and professors and just plain friends." He has, it seems, always streamlined his Gracious Living. When he lived in France, "There were always people staying with us....Sometimes, on Sundays, as many as fifty people came to lunch. They came from all parts of the world, every sort of person, of every race, creed and color." And, on Sundays, "Rolls-Royces and automobiles labeled *Corps Diplomatique* stood before my door."

No, no, he didn't keep a restaurant. All this was because he was a writer and "made lots of money and my books were translated into every language in Europe and even into Chinese and Bengali."

Even in America, he explains, he once had five hundred and four people for lunch. Unfortunately his book came out too early to chronicle also the wedding of Humphrey Bogart and Lauren Bacall, which to date has been the loftiest social event at Malabar, the Cliveden of Central Ohio.

Now all this is pleasant and enviable, and with it has run Mr. Bromfield's second ambition—to be a good farmer, and to leave the earth richer. Here, for chapters at a time, he forgets to be money-making and famous and Lorenzan and a buddy of Elsa Maxwell; he forgets to remind you how much he knows about Spain, artichokes, Petain, the monetary system, French artillery and conditions in Sweden and Syria.

He loves the land, the streams, the shadowed hills, the fresh springs, the small creatures of the woods. There is a zealot's joy in his discussions of farming, and even an incorrigible city man can enjoy his essays on mulching, fertilizing, contour plowing, and the soil-robbery of the pioneers. And just there is the tragedy: that, with the enthusiasm and perhaps with the power to make an enduring book, a true *Walden*, he should have cluttered and botched it with all the pert vanities of the money-grabbing, socially-climbing, Paris-Broadway-Hollywood literary gent. He did not listen to the quiet of his own fields and of his own heart. Into the valley he had to drag columnists and business managers and five damn big noisy boxer dogs. He could not forget, for more than a few pages, that Louis Bromfield is a slick Hollywood hack....and, as he informs us on page 26 and, to make sure that we notice it, again, on page 31, that his great-grandfather visited Voltaire at Ferney. He does not inform us whether great-grandfather was ever invited there, or just parked his Rolls-Royce (labeled *Corps Diplomatique*) at Ferney and butted in, nor what Voltaire thought about the whole business anyway.

Mr. Bromfield might have made the book moving and solid and memorable, but his third ambition—to be a writer as well as a Country Gent—is in danger of being destroyed by erosion. Once, in novels like *The Green Bay Tree* and *The Strange Case of Miss Annie Spragg*, he promised to rank with Hemingway and Cather and Dos Passos, but he grew tired of being the priggish sort of writer who thinks that it is of some importance to write. He has shown such instability that I warn his fellow-farmers at Malabar not to expect to see him around much after 1946.

But this instability has injured his literary topsoil no more than his simple egotism. Here are a few of his self-appreciations in the book:

"I contributed (to Malabar) knowledge not only of agriculture, but also of world and market conditions with which my profession and political and economic interests constantly brought me in touch."

"I have acquired a humble stock of experience and wisdom and humility.... I have made a great deal of money. (On at least three pages—50, 64, 89—he reminds us how much money he has 'made,' not necessarily by counterfeiting)....I take no credit for being motivated by wisdom....These, I am aware, are tall thoughts....whether I die in the big house I built or whether I die in a cottage with only an acre of ground around it there will, at least, be no bitterness and no envy, so long as I have a couple of dogs and a garden and that huge stock of adventures and memories."

Wouldn't it be plain hell if this great grandson of a man who visited Voltaire with all that wisdom and humility, were to die on one acre instead of suitably and enjoyably dying on a thousand acres? But the Republic couldn't ever be that ungrateful.

To a working writer, these probably harmless vanities are less chilling than the picture of the conditions under which Mr. Bromfield writes at Malabar—if he does write there; if he ever writes in any place now except in the Hollywood which, he explains, has financed this entire Eden. He has just one room of his own, he says, and this is bedroom, study, farm office, workroom, sitting room and headquarters for five doggies. Five boxers live there and sleep there with him. They are rather large dogs and "as they come rushing out they are likely to scare people to death," and "wherever I go on Malabar, five or six boxers go with me." And—despite the boxer peril—there are constant human visitors in this room: farm experts, magazine scouts and other inspirational aids to the art of composition.

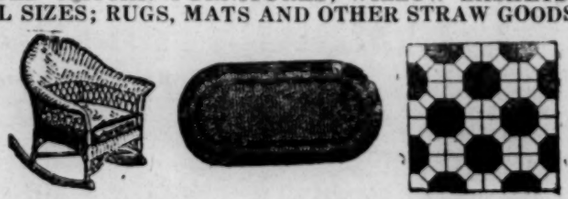
In this madhouse, Mr. Bromfield tries to turn out enough fiction to keep on building henhouses.

I'm sure that he has become an excellent farmer, but if you hear that a surgeon is now so busy even with such activities as the Navy League or bond-selling that he does not take time for his operations, and several patients have died on the table, then you do not consider him a great patriot—you consider him a scoundrel.

Yet Mr. Bromfield is not a scoundrel. There is in him and his good eyesight and his enthusiasms a potential power. His book is so full of repetition that one suspects he has been too busy with the boxers to even read over the manuscript. As an example, on page 198 he writes: "We did no more than transfer the composting process from the compost heap into the topsoil of our fields," and no farther away than the next page he echoes, "The compost heap, in other words, was transferred from the pit or shed to the topsoil itself." Yet so endearing is his love of the land, so eloquent his hatred of a life divided between factory and tenement, that some day he may forget about his cash and his ambassadorial buddies, write a book in which Malabar and not Mr. Bromfield is the hero, and come nearer to Thomas Hardy than to Alexander Woollcott.

In the new book, I hope that he will tell us what the whole gaudy show has cost him, so that we lesser white-collar workers may know whether we shall ever be able to afford a hundredth of such glory. (Thoreau did it, in dollars and cents. His year in paradise cost him twenty-five dollars and twenty-one and three quarter cents.)

PAINTED RATTAN FURNITURES; WILLOW BASKETS IN ALL SIZES; RUGS, MATS AND OTHER STRAW GOODS.



鄧甫記藤柳草器廠

DUN POO KEE & CO.

Manufacturers of Rattan, Willow and Straw Goods

201 Seymour Road, Shanghai—Telephone 35649

For Export Please Cable "DUNPK"

紅人牌

Selected Leaves

Chieftain

Cigarettes

W. M. Waterman's Tobacco Corp.

v

EAT AT

Jimmy's

133 Nanking Road

Shanghai

Branch 11-3 Rue Montauban

COKE

FOR-DOMESTIC-HEATING
SMOKELESS FUEL

SHANGHAI—COKE—CO.

715 Tibet Road

Tels: 91294, 92598

METROPOLITAN MOTORS, LTD.

DISTRIBUTORS OF

STUDEBAKER

CARS *and* TRUCKS

SALES OFFICE and SHOW ROOM
940 NANKING ROAD WESTERN
(BUBBLING WELL ROAD)

PRIORITY BOOKINGS NOW BEING TAKEN ON
EARLY SHIPMENTS OF CARS AND TRUCKS INCLUDING

The Famous

"CHAMPION" and "COMMANDER"
MODELS

R. E. SHEAN
Manager

Telephone: 34280

NOTE : . . . Studebakers will be among the

FIRST NEW CARS TO ARRIVE FROM AMERICA

京　滬　線　NANKING SHANGHAI LINE

TIME TABLE

44	24	8	2	4	42	74	6	車次 TRAIN NO.		73	41	43	23	7	1	3	5
4th Class	3rd Class		Exp.	Exp.	2,3 Local	2,3 Local	Night Exp.	站名 STATIONS		2,3 Local	2,3 Local	4th Class	3rd Class		Exp.	Exp.	Night Exp.
1.00	7.00	8.00	9.00	11.00	15.00	18.00	21.00	D 上海 SHANGHAI	A	10.45	12.10	13.30	18.40	20.40	16.30	19.35	6.30
2.36	8.39	9.13	10.07	12.12	16.57	19.53	22.33	A 崑山 QUINSAN	D	8.45	10.14	11.35	17.01	19.29	15.20	18.13	5.16
2.41	8.42		10.12	12.16	17.10	19.56	22.38	D	A	8.37	10.10	11.30	16.54		15.15	18.08	5.11
3.41	9.47	10.01	10.56	13.00	18.37	20.52	23.38	A 吳縣 WUHSIEN	D	7.29	9.00	10.05	15.50	18.44	14.30	17.23	4.20
4.13	9.56	10.10	11.06	13.15	18.46	21.00	23.50	D	A	7.17	8.54	9.44	15.39	18.35	14.21	17.14	4.11
5.23	11.07	11.01	11.57	14.25	20.02	22.00	0.48	A 無錫 WUSIH	D	6.00	7.41	8.30	14.28	17.45	13.31	16.19	3.14
5.43	11.13	11.09	12.05	14.35	20.11		1.00	D	A		7.35	8.19	14.17	17.36	13.23	16.12	3.05
7.03	12.23	12.00	13.02	15.46	21.30		1.58	A 武進 WUCHIN	D		6.20	7.05	13.05	16.40	12.27	15.10	2.00
7.22	12.50		13.15	16.00			2.13	D	A			6.30	12.36		12.12	14.54	1.39
8.47	14.49		14.11	17.01			3.19	A 丹陽 TANYANG	D			5.05	10.29		11.18	13.39	0.20
8.52	15.00		14.16	17.05			3.24	D	A			4.54	10.24		11.14	13.34	0.13
9.55	15.55		14.54	17.43			4.10	A 鎮江 CHINKIANG	D			3.40	9.30		10.36	12.56	23.17
10.30	16.10		15.07	17.51			4.22	D	A			3.17	9.12		10.25	12.41	23.05
13.10	18.20		16.30	19.25			6.00	A 南京 NANKING	D			1.00	7.00		9.00	11.00	21.00

FARE LIST

STATIONS 站名	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express	
SHANGHAI 上海							
QUINSAN 崑山	52	540.00	720.00	360.00	450.00	180.00	225.00
WUHSIEN 吳縣	86	810.00	990.00	540.00	630.00	270.00	315.00
WUSIH 無錫	129	1,170.00	1,530.00	780.00	950.00	390.00	480.00
WUCHIN 武進	167	1,530.00	1,890.00	1,020.00	1,200.00	510.00	600.00
TANYANG 丹陽	212	1,980.00	2,520.00	1,320.00	1,590.00	660.00	795.00
CHINKIANG 鎮江	242	2,250.00	2,790.00	1,500.00	1,770.00	750.00	885.00
NANKING 南京	311	2,880.00	3,600.00	1,920.00	2,280.00	960.00	1,140.00

滬　杭　線　SHANGHAI HANGCHOW LINE

TIME TABLE

11	61	31	車次 TRAIN NO.		32	12	62
Express	2,3,4 Class	2,3 Class	站名 STATIONS		2,3 Class	Express	2,3,4 Class
7.00	7.50	15.15	D 上海北站 SHANGHAI NORTH	A	13.45	19.30	22.35
7.15	8.09	15.35	A 上海西站 SHANGHAI	D	13.25	19.15	22.16
7.25	8.19	15.40	D WEST	A	13.20	19.05	22.11
8.14	8.24	16.45	A 松江 SUNGKIANG	D	12.12	18.16	21.07
8.19	8.30	16.50	D	A	12.07	18.11	21.02
9.50	11.04	18.28	A 嘉興 KASHING	D	10.38	17.00	19.35
9.42	11.18	18.40	D	A	10.26	16.48	19.25
10.16	11.52	19.19	A 峽石 HASHA	D	9.38	16.14	18.42
10.18	11.54	19.21	D	A	9.36	16.12	18.40
10.58	12.39	20.07	A 長安 CHANGAN	D	8.51	15.37	17.51
10.58	12.44	20.14	D	A	8.46	15.32	17.46
12.00	14.00	21.30	A 杭州 HANGCHOW	D	7.30	14.30	16.30

FARE LIST

STATIONS 站名	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express	
SHANGHAI 上海							
SUNGKIANG 松江	45	450.00	632.00	300.00	290.00	150.00	495.00
KASHING 嘉興	99	900.00	1,080.00	600.00	690.00	300.00	345.00
HASHA 峽石	125	1,170.00	1,530.00	780.00	960.00	390.00	480.00
CHANGAN 長安	151	1,440.00	1,800.00	960.00	1,140.00	480.00	570.00
HANGCHOW 杭州	190	1,710.00	2,070.00	1,140.00	1,320.00	570.00	660.00

華中鐵路管理委員會
CENTRAL CHINA RAILWAY ADMINISTRATIVE COMMISSION

PRINTED BY THE MERCURY PRESS